

ONESOURCE VIRTUAL

WA L&I CONFIGURATION GUIDE FOR WORKDAY

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Washington Labor and Industry (WA L&I) Configuration Guide for Workday

GENERAL

Washington Labor and Industry (WA L&I) is a Workers compensation payroll tax that provides no-fault industrial insurance coverage for most employers and workers in the state of Washington. Benefits include medical treatment for workers who are injured during their employment or develop an occupational disease because of their work activities. Workers who are unable to work due to accepted conditions related to an industrial injury or occupational disease may be eligible for partial wage replacement benefits. This Payroll tax is charged to Employer's (ER), but portions can be deducted from the Employee's (EE). There are many components to this tax and it is important to understand how the ER is handling the processing of this tax and how to understand the actual rate sheet.

WA L&I RATE SHEET

- There are many components to the workers compensation payroll tax and it is important to understand how the ER is handling the processing of this tax and how to interpret the actual rate sheet.
- Every ER is assigned a Washington Risk Classification Code based upon the type of work being conducted in the state (like the National Workers Comp Code). ER's can be assigned multiple risk classification codes.
- Every ER will receive a copy of the rate sheet on an annual basis. If the rate sheet cannot be provided to the Workday Implementation Partner (WDIP), the rate sheet can be found on the following link: <https://secure.lni.wa.gov/verify/> You must have the ER's Workers Compensation Acct#, UBI# **or** the legal name registered with the agency in order to find this information.
 - Enter the ER Workers Compensation Acct#, UBI# or the Legal Name of the company and click search
 - Click on the Account once located (Business Name)
 - Click on Workers Comp rates and you will see all risk classification codes assigned and the associated rate(s)
 - Hourly Rate = Total Rate (ER and ER)
 - Employee Withholding = Maximum amount that can be withheld from the EE per hour worked
 - The rate is a \$ amount per hour worked

Risk classifications**3905-07 Restaurant/Spirits, Beer, Wine**Hourly rate
0.3342Employee withholding
0.10630

4904-00 Clerical Office NOC & DraftsmnHourly rate
0.1317Employee withholding
0.05555

4905-04 Hotels/MotelsHourly rate
0.8096Employee withholding
0.22670

-
- o There are many minor codes within the total rate which can be reflected on the rate sheet issued from the State Agency. However, the minor code rate breakdown is not reflected on the online web portal. The majority of ER's pay the entire premium due, however, you may also deduct from the EE's to offset the total premium. The below details show you the breakdown of the minor codes and the rate:
 - Accident Fund Premium - Paid by ER's only (rate varies by type of business). You can get the rate per risk classification code on the following website: <http://apps.leg.wa.gov/WAC/default.aspx?cite=296-17-895>
 - Medical Aid Premium - Paid by ER's and EE's (rate varies by type of work). 1/2 of the Medical-Aid Rate can be paid by the Employee. You can get the rate on the following website: <http://apps.leg.wa.gov/WAC/default.aspx?cite=296-17-895>
 - Supplemental Pension Premium - Paid by ER's and EE's (Rate for 2018 = \$0.1030 per hour worked (\$0.0515 EE and \$0.0515 ER). 1/2 of the Supplemental Pension Rate can be paid by the EE. This rate can be found on the following website: <http://apps.leg.wa.gov/WAC/default.aspx?cite=296-17-920>
 - Stay at Work - Paid by ER's and EE's (rate varies by type of work). 1/2 of the Stay at Work Rate can be paid by the EE. You can get the rate on the following website: <http://apps.leg.wa.gov/WAC/default.aspx?cite=296-17-895>
 - o Note: The link provided above only reflects the Base rate for Accident Fund, Medical Aid and Stay at Work. ER's can qualify for rate reductions. The following link will explain more about the type of rate deductions possible: <http://www.lni.wa.gov/ClaimsIns/Insurance/Reduce/default.asp>. However, the most common is know as Claim-Free Discount. This discount ranges from 10-40% in reduction on the Accident Fund, Medical Aid and Stay at Work. Discounts can be manually calculated by taking the Experience Rate x Accident Fund; Experience Rate x Medical Aid; Experience Rate x Stay at Work.
 - o Note: OSV does not handle the processing of the minor WA L&I codes. OSV only handles the Major code (WA: Washington Industrial Insurance (Accident) Fund (ER) [USA]). Therefore, if any of the minor codes are configured within Workday, then the funding vs calculation may vary.

WORKDAY REQUIREMENTS

OSV currently handles all payments and filings for Washington Labor and Industry (WA L&I), apart from the Minor codes. However, OSV requires Workday to have special configuration to support the payments and filings of this tax. The below information serves as an outline for those configuration needs.

WORKERS COMPENSATION CODES

- The WA Risk Classification code (as noted on the WA L&I Rate Sheet) needs to be configured in Workday.
 - Maintain Workers Compensation Codes
 - Enter the code as seen on the Rate Sheet. Example: Code = 4904-00
 - Enter Name as seen on Rate Sheet. Example: Name = Clerical Office NOC & Draftsman
 - Country = United States of America
 - Region = Washington

Maintain Workers' Compensation Codes

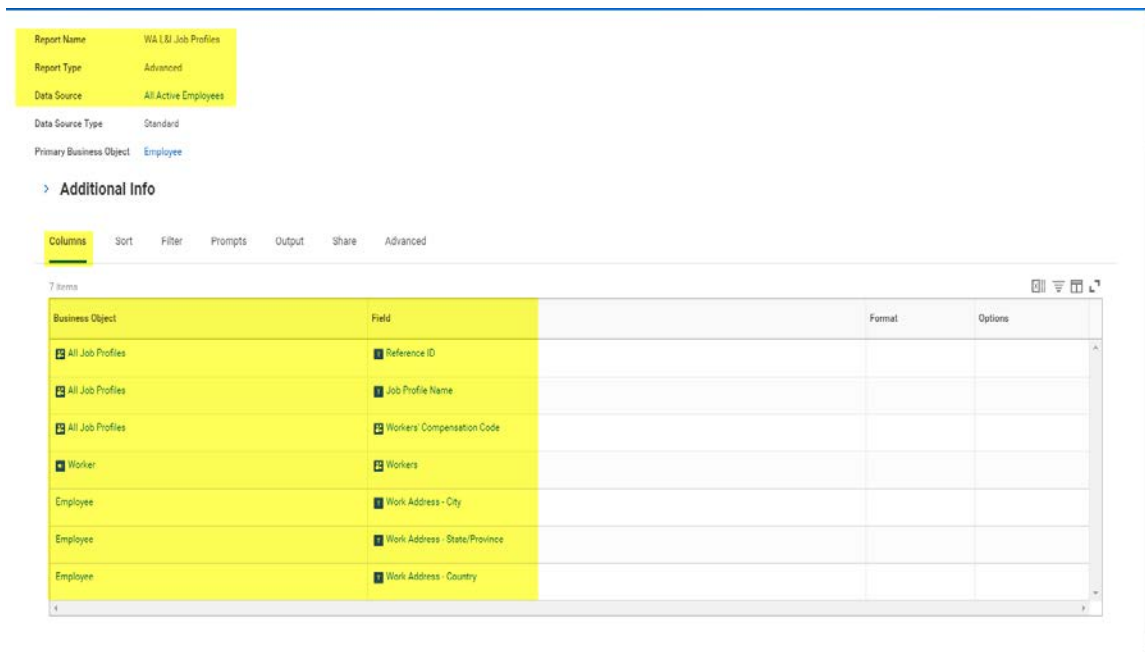
427 items

| Workers' Compensation Code | *Code | *Name | *Country | Region | Location | Inactive | Job Profile Usage |
|----------------------------|---------|---------------------------------|----------------------------|--------------|----------|--------------------------|-------------------|
| | 3905-01 | Restaurant/Spirits,Beer,Wine | United States of America | Washington | | <input type="checkbox"/> | |
| | 4904-00 | Clerical Office NOC & Craftsman | United States of America | Washington | | <input type="checkbox"/> | |
| | 4905 04 | Hotels/Motels | X United States of America | X Washington | | <input type="checkbox"/> | |

JOB PROFILES

- Each WA Risk Classification code that was configured on the Workers Compensation Table needs to be linked to every Job Profile that is within the United States. There can only be one WA Risk Classification code linked to the Job Profile. Linking the WA Risk Classification code to the Job Profile results in proper calculation for each employee.
- Create a Custom Report that shows all Job Profiles
 - Create Custom Report
 - Report Name = WA L&I Job Profiles
 - Report Type = Advanced

- Data Source = All Active Employees
- Configure your Column Business Objects (BO) and Field (F)
 - BO = All Job Profiles; F = Reference ID
 - BO = All Job Profiles; F = Job Profile Name
 - BO = All Job Profiles; F = Workers' Compensation Code
 - BO = Worker; F = Workers
 - BO = Employee; F = Work Address - City
 - BO = Employee; F = Work Address – State/Province
 - BO = Employee; F = Work Address - Country



- Run the Custom Report and extract the results into excel
 - Identify what Job Profiles are within the United States
 - Determine which WA Risk Classification Code needs to be loaded to the Job Profile (Only 1 WA Risk Code per Job Profile)
- Manually add or load via EIB the WA Risk Classification Code to each Job Profile within the USA
 - Edit Job Profile
 - Effective Date = 1/1/xxxx (Best practice to make effective date the beginning of current calendar year)
 - Select Job Profile

- Click OK



Effective Date * 01 / 01 / 2018

Job Profile * X Executive Assistant

- Scroll to the bottom of page and click on Worker’s Compensation Codes
- Click on the “+” sign
- Add the WA Risk Classification code. Example: 4904-00. Note: **DO NOT DELETE** the National WC Code, this is **in addition to**.
- Click OK

Job Exempt **Worker's Compensation Codes** Certifications Competencies Education Languages Responsibilities Skills Training Work Experience

Worker's Compensation Codes 0 items

| + | Workers' Compensation Code | Country | Country Region | Location |
|---|--|--------------------------|------------------|----------|
| - | 8810 - Clerical Office Employees (United States of America) | United States of America | | |
| - | 763011 - Consulting (Canada) | Canada | British Columbia | |
| - | 611420 - Computer Training Services (Canada) | Canada | Quebec | |
| - | 950 - Technical and Business Services (Canada) | Canada | Ontario | |
| - | 4904 00 - Clerical Office N/C & Craftsman (United States of America) | United States of America | Washington | |

COMPANY TAX CONFIGURATION

- There are many configuration options for WA L&I tax in Workday. However, OSV is only able to support 2.
- Option 1: Employer Paid (100% ER Paid) – *Best Practice*
 - Edit State and Local Tax US Tax Reporting
 - Select Company and State of Washington

- Click OK



Q company tax

Edit Company State and Local US Tax Reporting

| | | |
|-----------|---|----------------------------------|
| Company * | <input type="text" value="Global Modern Services, Inc. (USA)"/> | <input type="button" value="⋮"/> |
| State * | <input type="text" value="Washington"/> | <input type="button" value="⋮"/> |

- Other Tax = Add tax code by clicking on the “+” sign
- Start Date = 1/1/xxxx
- End Date = Blank
- Tax = WA: Washington Industrial Insurance (accident) Fund (ER) [USA]
- Select Radial button for EIN
- EIN = Account number assigned. Correct format is 123,123-00
- Use Override Rate = Leave this box unchecked
- Tax Override Rate = Leave blank
- Exclude from Tax Filing = Leave this box unchecked

State Washington

State Workers Compensation Rate ESS Forms

Unemployment 1 item

| *Start Date | End Date | *Tax | *Use State (or Federal) EIN / EIN | Exempt | Default Employer Rate | Use Employer Tax Override Rate | Employer Tax Override Rate | Use Alternate Wage Limit |
|-------------|----------|----------------|---|--------------------------|--|--------------------------------|----------------------------|--------------------------|
| 01/01/2008 | | SUI (ER) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN no state withholding | <input type="checkbox"/> | 01/01/2018: 1.7% 01/01/2017: 1.7% 01/01/2016: 1.7% 01/01/2015: 1.7% 01/01/2014: 1.7% More (b) | <input type="checkbox"/> | | 0 |

Other 1 item

| *Start Date | End Date | *Tax | *Use State (or Federal) EIN / EIN | Use Tax Override Rate | Tax Override Rate | Exclude from Tax Filing | Worker Tax Election Required | Exemption Allowed |
|-------------|------------|--|---|--------------------------|-------------------|-------------------------|------------------------------|-------------------------------------|
| 01/01/2018 | MM/DD/YYYY | X WA, Washington Industrial Insurance (Accident) Fund (ER) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123.123-00 | <input type="checkbox"/> | | 0 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

OK Cancel

- o Then click on the Workers Compensation Rate tab
- o Click on the “+” sign
- o Start Date = 1/1/xxxx
- o End Date = Blank (will only end date if rate changes from year to year or Risk Classification code is no longer applicable)
- o Code = Use drop down and select the WA Risk classification code configured in the Worker’s Compensation table
- o Tax = WA: Washington Industrial Insurance (accident) Fund (ER) [USA]
- o Rate = Total rate for a specific Risk Classification code. For example, the total rate for Risk Classification code 4904-00 = \$0.1317 per hour worked. The rate you would enter in Workday (WD) is 13.17. You must convert this to a percentage.

← Edit Company State and Local US Tax Reporting

Company Global Modern Services, Inc. (USA)

FEIN 99-0343105

State Washington

State **Workers Compensation Rate** ESS Forms

| Workers Compensation Rate <small>3 items</small> | | | | | | |
|--|-------------|----------|---|---|--|-------|
| | *Start Date | End Date | *Code | | *Tax | *Rate |
| ⊖ | 01/01/2018 | | 4905-04 - Hotels/Motels (United States of America) | ⊕ | WA: Washington Industrial Insurance (Accident) Fund (ER) [USA] | 80.96 |
| ⊖ | 01/01/2018 | | 4904-00 - Clerical Office NOC & Craftman (United States of America) | ⊕ | WA: Washington Industrial Insurance (Accident) Fund (ER) [USA] | 12.17 |
| ⊖ | 01/01/2018 | | 3905-07 - Restaurant/Spirits/Beer/Wine (United States of America) | ⊕ | WA: Washington Industrial Insurance (Accident) Fund (ER) [USA] | 33.42 |

OK Cancel

- Option 2: Employer (ER) and Employee (EE) split.
 - Edit State and Local Tax US Tax Reporting
 - Select Company and State of Washington
 - Click OK



Q company tax

Edit Company State and Local US Tax Reporting

Company *

State *

- Other Tax = Add tax code by clicking on the “+” sign
- Start Date = 1/1/xxxx
- End Date = Blank
- Tax = WA: Washington Industrial Insurance (Accident) Fund (ER) [USA]

- o Select Radial button for EIN
- o EIN = Account number assigned. Correct format is 123,123-00
- o Use Override Rate = Leave this box unchecked
- o Tax Override Rate = Leave blank
- o Exclude from Tax Filing = Leave this box unchecked
- o Other Tax = Add tax code by clicking on the “+” sign
- o Start Date = 1/1/xxxx
- o End Date = Blank
- o Tax = WA: Washington Medical Aid Fund (Effective Jan 2017) [USA]
- o Select Radial button for EIN
- o EIN = Account number assigned. Correct format is 123,123-00
- o Use Override Rate = Leave this box unchecked
- o Tax Override Rate = Leave blank
- o Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)
- o Other Tax = Add tax code by clicking on the “+” sign
- o Start Date = 1/1/xxxx
- o End Date = Blank
- o Tax = WA: Washington Medical Aid Fund (ER) (Effective Jan 2017) [USA]
- o Select Radial button for EIN
- o EIN = Account number assigned. Correct format is 123,123-00
- o Use Override Rate = Leave this box unchecked
- o Tax Override Rate = Leave blank
- o Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)
- o Other Tax = Add tax code by clicking on the “+” sign
- o Start Date = 1/1/xxxx
- o End Date = Blank
- o Tax = WA: Washington Stay at Work (ER) [USA]
- o Select Radial button for EIN
- o EIN = Account number assigned. Correct format is 123,123-00
- o Use Override Rate = Leave this box unchecked
- o Tax Override Rate = Leave blank

- Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)
- Other Tax = Add tax code by clicking on the “+” sign
- Start Date = 1/1/xxxx
- End Date = Blank
- Tax = WA: Washington Stay at Work [USA]
- Select Radial button for EIN
- EIN = Account number assigned. Correct format is 123,123-00
- Use Override Rate = Leave this box unchecked
- Tax Override Rate = Leave blank
- Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)
- Other Tax = Add tax code by clicking on the “+” sign
- Start Date = 1/1/xxxx
- End Date = Blank
- Tax = WA: Washington Supplemental Pension Fund [USA]
- Select Radial button for EIN
- EIN = Account number assigned. Correct format is 123,123-00
- Use Override Rate = Check this box
- Tax Override Rate = Enter the Rate for the EE portion of the Supplemental rate for the given year. Total rate for 2018 = \$0.1030 per hour worked. This translates to \$0.0515 (5.15%) per hour worked for the EE portion since the rate is ½ ER and ½ EE
- Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)
- Other Tax = Add tax code by clicking on the “+” sign
- Start Date = 1/1/xxxx
- End Date = Blank
- Tax = WA: Washington Supplemental Pension Fund (ER) [USA]
- Select Radial button for EIN
- EIN = Account number assigned. Correct format is 123,123-00
- Use Override Rate = Check this box
- Tax Override Rate = Enter the Rate for the ER portion of the Supplemental rate for the given year. Total rate for 2018 = \$0.1030 per hour worked. This translates to \$0.0515 (5.15%) per hour worked for the ER portion since the rate is ½ ER and ½ EE

- o Exclude from Tax Filing = Check this box (OSV does not handle the minor code for filing purposes)

| *Start Date | End Date | *Tax | *Use State (or Federal) EIN / EIN | Use Tax Override Rate | Tax Override Rate | Exclude from Tax Filing | Worker Tax Election Required | Exemption Allowed |
|----------------|----------------|---|---|-------------------------------------|-------------------|--------------------------|------------------------------|--------------------------|
| 01/01/2018 | | WA: Washington Industrial Insurance (Accident) Fund (ER) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input type="checkbox"/> | 0 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01/01/2018 | | WA: Washington Medical Aid Fund (Effective Jan 2017) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input type="checkbox"/> | 0 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01/01/2018 | | WA: Washington Medical Aid Fund (ER) (Effective Jan 2017) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input type="checkbox"/> | 0 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01/01/2018 | | WA: Washington Stay at Work Program (ER) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input type="checkbox"/> | 0 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01/01/2018 | | WA: Washington Stay at Work Program [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input type="checkbox"/> | 0 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01/01/2018 | | WA: Washington Supplemental Pension Fund (ER) [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input checked="" type="checkbox"/> | 5.15 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 01 / 01 / 2018 | MM / DD / YYYY | WA: Washington Supplemental Pension Fund [USA] | <input type="radio"/> Use State (or Federal) EIN <input checked="" type="radio"/> EIN 123,123-00 | <input checked="" type="checkbox"/> | 5.15 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- o Then click on the Workers Compensation Rate tab
- o Click on the “+” sign
- o Start Date = 1/1/xxxx
- o End Date = Blank (will only end date if rate changes from year to year or Risk Classification code is no longer applicable)
- o Code = Use drop down and select the WA Risk classification code configured in the Worker’s Compensation table
- o Click on the “+” sign under the Tax Column
- o Tax = WA: Washington Industrial Insurance (accident) Fund (ER) [USA]; WA: Washington Medical Aid Fund (Effective Jan 2017) [USA]; WA: Washington Medical Aid Fund (ER) (Effective Jan 2017) [USA]; WA: Washington Stay at Work Program (ER) [USA]; WA: Washington Stay at Work Program [USA]
- o Rate = Rate for each tax component for a specific Risk Classification code. You must convert this to a percentage.
- o Explanation of Rate Breakdown for 4904-00. Total Rate (ER and ER) = \$0.1317 (13.17%) per hour worked. Supplemental Pension for 2018 = \$0.1030 (10.30%) which translated into 5.15% EE and 5.15% ER. Stay at Work rate = \$0.0003 (0.03%) which translated into 0.015% EE and 0.015% ER. Medical Aid rate = \$0.0188 (1.88%) per hour worked which translated into 0.94% EE and 0.94% ER. Since the original rate sheet was not provided, there is a discount on the total rate. Therefore, take the total rate and subtract out all above components (including Supplemental Pension on first screen) which results in the total WA Industrial Insurance (Accident) fund = 0.96%. All total to 13.17% (5.15% + 5.15% + 0.96% + 0.94% + 0.94% + 0.015% + 0.015%)
- o Note: If the actual rate sheet is not provided, see above section on WA L&I Rate Sheet to understand how to breakdown the rate.

- o Note: The actual rate sheet breakdown on all codes may not equal the total rate. This can be due to discounts provided. Will have to manually calculate the rates by including the experience rate. See page 4 for further explanation.
- o Note: OSV does not support the Minor codes. Minor codes include: Supplemental Pension, Medical Aid Fund and Stay at Work Program. To deduct from the EE's, you must configure minor codes in Workday (WD). Therefore, by configuring with this method, there will be variances in funding. However, OSV will pay the total amount to the agency and collect at quarter end any differences needed.

| | | | | | | |
|---|------------|--|--|---|---|-------|
| ⊖ | 01/01/2018 | | 4904-00 - Clerical Office NOC & Craftsman (United States of America) | ⊕ | | |
| | | | | ⊖ | WA: Washington Industrial Insurance (Accident) Fund (ER) [USA] | 0.96 |
| | | | | ⊖ | WA: Washington Medical Aid Fund (Effective Jan 2017) [USA] | 0.94 |
| | | | | ⊖ | WA: Washington Medical Aid Fund (ER) (Effective Jan 2017) [USA] | 0.94 |
| | | | | ⊖ | WA: Washington Stay at Work Program (ER) [USA] | 0.015 |
| | | | | ⊖ | WA: Washington Stay at Work Program [USA] | 0.015 |

- o Notify the OSV Tax Specialist once the configuration is complete. A review will need to take place prior to Go Live with Tax Services.

INTEGRATION ID

- o Provide OSV's Tax Consultant the Integration ID in the IMPL **and** Gold/Production Workday environment for mapping of OSV Tax system.
 - o In search box, type in key word integration ID
 - o Business Object = Workers Compensation Codes
 - o Click OK



integration id

Integration IDs

Business Object * × Workers Compensation Code ☰

- Filter the results by Instance
- Enter in the Washington Risk Classification code that you configured in the Workers Compensation Table
- Provide the Reference ID or a screen shot of the result

← Integration IDs

1 of 427 items

| Business Object | Instance | Workday ID | Reference IDs | |
|---------------------------|--|----------------------------------|-------------------------|---------------------------------|
| | | | Type | ID |
| Workers Compensation Code | 4904-00 - Clerical Office NOC & Craftsman (United States of America) | 2935ccf4551d01e09e3af2bba67bd71c | Workers_Compensation_ID | WORKERS_COMPENSATION_CODE-6-430 |

MAINTENANCE POST GO LIVE

- It is important that the Workers Compensation Tables and the Job Profiles be maintained by the Customer Post Go Live. The OSV Tax Services team does not have the security needed to maintain this configuration.
- This process can be automated by:
 - Creating a Condition Rule: Employee is working in state of Washington (WA)
 - Edit BP: Hire or Transfer to include the condition rule in steps of the Business Process. This would create a notification to be sent to add the WA Risk Classification Code to the Job Profile

- Note: You may not need this if not adding new Job Profiles, but this would be a safe guard to ensure complete
- OSV's assigned Customer Tax Account Specialist are responsible for maintaining the WA Risk Class Code annual rates in Workday at the Company Tax configuration level.

CONCLUSION

- Thank you for your assistance and partnership with configuring the WA L&I tax in Workday in a way that OSV can support the tax filings and payments.