

July 28, 2021

Critical Updates

Go Live Plans

We are excited to share a Phase 2 Go-Live update with all stakeholders! As part of Phase 2 of this project, we will be transitioning from the FOCOnline system to the Palco system for enrollment, timesheet approval, and reporting.

Below we present a monthly calendar of events including a sneak peek at upcoming trainings:

Month	Training Topics
August	<ul style="list-style-type: none"> Palco system testing
September	<ul style="list-style-type: none"> Training sessions for supporting staff including Conduent, the State, CCSC, MCO Utilization Reviewers, and Support Brokers <ul style="list-style-type: none"> Trainings will cover end-to-end functionality in the Palco system including enrollment, budgets, timesheet submission and approval process, reporting, user roles and permissions, and a refresher on electronic visit verification (EVV). Towards the end of September, training sessions will begin for members, EORs, participant-directed workers, and agency providers. Palco system testing continues.
October	<ul style="list-style-type: none"> Training sessions will continue throughout October for members, EORs, participant-directed workers, and agency providers. <ul style="list-style-type: none"> Sessions will cover similar topics including enrollment, budgets, timesheet submission and approval process, reporting, and a refresher on EVV. Throughout the month of October, Palco will host question and answer sessions for these training groups to answer follow-up questions from earlier training sessions.
November	<ul style="list-style-type: none"> Training sessions will continue throughout November for members, EORs, participant-directed workers, and agency providers. <ul style="list-style-type: none"> Sessions will cover similar topics including enrollment, budgets, timesheet submission and approval process, reporting, and a refresher on EVV. Throughout the month of November, Palco will continue to host question and answer sessions for these training groups to answer follow-up questions from earlier training sessions.

EOR Transition Packets

We have identified those individuals who have not submitted a completed EOR Transition Packet. Conduent will be sending EOR Transition packets to those employers in the coming weeks. Be on the lookout for that packet and please complete and submit it at your earliest convenience.

Major Issues and Resolutions

Reminder: Email Campaign

Palco and Conduent are working together to ensure all current employees, participants and employers of record (EOR) have accurate information on file.

One critical piece of information is your e-mail address. Your e-mail address will be the primary method of communication used by Palco, as well as your personal login ID to Palco's online system.

Later this year we will transition from FOCOnline to Palco CONNECT for submitting and approving timesheets. You will need to be able to log into the Palco CONNECT system. Your login ID will be your e-mail address. Each person (user) is required to have their own unique login ID for the Palco CONNECT system. This means you need to have your own e-mail address. In other words, an employee and an employer cannot have the same e-mail address.

Your e-mail address will also be used for any notifications that are sent regarding timesheets or general program communications. These e-mail notifications will help you ensure timesheets are correct and payments will be on time.

If you are an employee or an employer (EOR) and you are not sure if your correct e-mail address is in the FOCoS system, please contact the Consolidated Customer Service Center (CCSC) at 800-283-4465 to update your e-mail address by phone. You may also update your email address by emailing a Change of Information form to Conduent at docprocessing@conduent.com. Please keep in mind that if you have more than one e-mail address listed in FOCoS, you must choose one (you can call CCSC or e-mail Conduent to update the information).

Employer (EOR) Payroll Taxes

Some taxes are paid on behalf of the employer (EOR). These taxes are listed in the budget as the employer tax burden (ETB) and Workers' Compensation (WC). These employer taxes are accounted for in the participant's budget and are not taken out of the employee's paycheck. These employer taxes (ETB and WC) are handled by Palco, who pays these taxes on the employer's behalf.

If the service provider/caregiver (employee) is a family member, both the employer and the employee may be exempt from employment taxes such as Social Security and Medicare. More information is available at the IRS website, Family Caregivers and Self-Employment Tax:

<https://www.irs.gov/businesses/smallbusinesses-self-employed/family-caregivers-and-self-employment-tax>.

The Payroll Information Worksheet (PIW) is used to show the relationship between the employee and the employer of record (EOR). Depending on the relationship, certain taxes are taken out (FICA, FUTA, SUTA) for

the employee and there are also payroll taxes paid on behalf of the employer (EOR). An example of this is Medicare, Unemployment and Social Security. An employee and EOR may be “exempt” from these taxes if the employee is:

- the spouse; or
- child under 21; or
- the parent of the employer or record (EOR), includes adoptive and stepparents.

If the employee does not fall under any of the above categories, it means they are “non-exempt.” If an employee is non-exempt, it also means that the employer (EOR) will have certain taxes paid on their behalf. These payroll taxes are paid to State and Federal agencies and submitted on the EOR’s behalf by Palco.

In order to account for the employer’s (EOR) payroll taxes, these amounts are listed in the goal section of the participant’s budget. The employer tax calculations are listed as “ETB” (FICA, FUTA, SUTA) and Workers’ Compensation (WC). These amounts are calculated based on a percentage of the employee’s wages.

The Employer Tax Burden (ETB) contains the following:

FICA: Federal Insurance Contributions Act (7.65%)

FICA Includes:

- Social Security (6.2%)
- Medicare (1.45%)

FUTA: Federal Unemployment Tax (0.6%)

SUTA: State Unemployment Tax (1%)

ETB listed in the budget goal = FICA + FUTA + SUTA: (Totals 9.25%)

This 9.25% is paid as employer (EOR) payroll taxes (this is not deducted from an employee’s paycheck).

In addition to the 9.25% for ETB, Workers’ Compensation is paid as part of the employer taxes (this is also accounted for in the budget calculations).

WC: Workers’ Compensation rate varies from year-to-year. The current value (as of 7/1/21) for WC is 1.7% (for the employer tax portion only).

TOTAL EMPLOYER TAXES: ETB (9.25%) + WC (currently 1.7%) = 10.95%

This ETB + WC = 10.95% as indicated above is for the employer payroll tax. This is part of the participant’s budget but it is only for the employer (EOR) taxes (this is not deducted from an employee’s paycheck).