

## Group Term Life

Clients can automate the calculation of a group term life policy and the premium based on the employee salary and client-level rules. This allows the calculation to occur from start to finish without any human intervention.

Group Term Life, or GTL, is a life insurance policy purchased by an employer for a group of its employees. The premiums paid by the employer are considered income, but are not taxed unless the coverage amount exceeds \$50,000.

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Note: Earning codes must be configured at the company level before it can be added to employees.

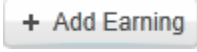
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### Step 1: Set up the GTL earning code.

Follow the steps below to select an earning code:

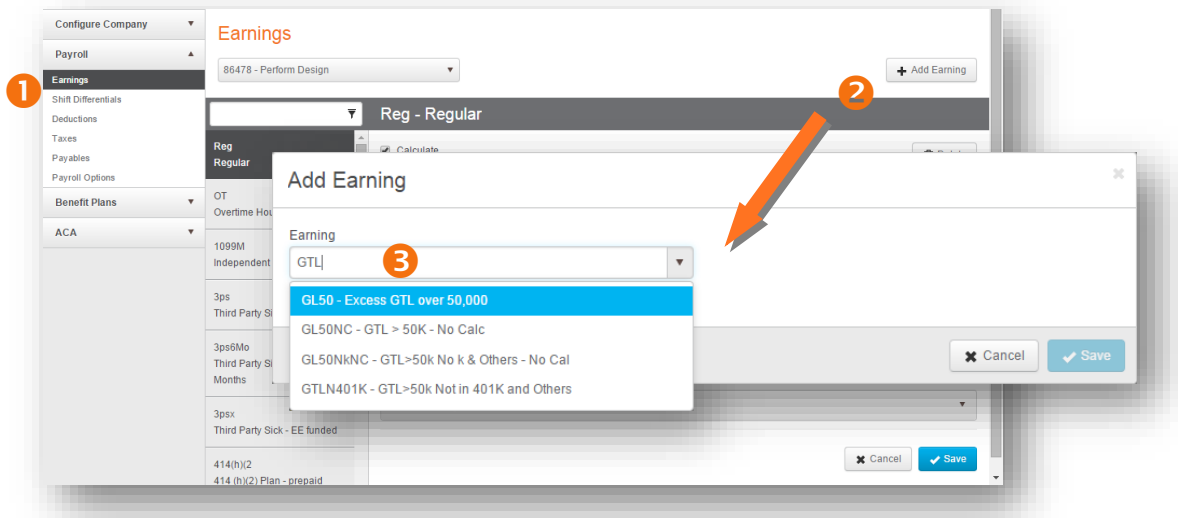
- 1 In the **Configure Company** area, select **Earnings** under the Payroll menu.
- 2 Click .
- 3 The global list of earning codes will display. Search for applicable "GTL" code.

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Note: The user will be able to select a new name and description for the earning code in the next steps. However, it is important to select the GTL code with the correct Group Term Life category (determine whether your GTL policies include retirement deductions when calculating).

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**Screenshots are available on the next page**



GTL Code	Indicates:
<p><b>GL50</b></p> <p>(401k calculates on this earning code)</p>	<p>Enter a policy amount, and then the system calculates a premium.</p> <ul style="list-style-type: none"> <li>• Policy amount can be entered at the Employee and Client level</li> <li>• Can be calculated based on a factor of salary</li> <li>• Allows a flat premium amount to be entered (based on code setting)</li> <li>• System can recalculate policy amount based on client level settings (i.e., rate changes or rates at a client defined date)</li> <li>• System also can recalculate premiums during the year-end process</li> </ul>
<p><b>GTLN401K</b></p> <p>(401k does not calculate on this earning code)</p>	<p>Same as above.</p> <p>(except no 401k calculates)</p>

Note: The codes **GL50NC** & **GL50NkNC** do not need to be used in Paycor's current system.

## Step 2: Configure Settings and Save.

Follow these steps to configure settings for the Earning Code:

- Once users have selected the Earning Code, users will be prompted to configure **Settings**. Change the Code and Description help you better identify this earning on a paystub or report.

Field	Options
<b>Code</b>	Users may re-name the earning code by typing directly into this field. This is a 10-character field, and will appear directly on the employee's paystub.
<b>Description</b>	Users may re-name the description by typing directly into this field. This is a 30-character field, and will be used for internal (company) purposes only.
<b>Frequency</b>	Select the frequency that this earning code should be available for use in the pay grid. Some users will choose <b>Every Pay Period</b> which will allow the earning code to be available in the pay grid for any pay period. Some users may choose to only make certain earning available at certain times (for example, some may choose to only make Commission available in the pay grid during the first pay period of the month). If unsure, choose

- Depending on your plan's details, you can set up the GTL code based on a "Fixed Amount" or a "Factor of Salary". This selection is the Calculation Type and how Perform calculates the GTL premiums for each employee.

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Note: Paycor provides information icons  throughout the application to aid you in policy set up. You may hover over any icon for additional information.

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- Verify that all of your selections are accurate.

Click .

Screenshot is available on the next page

### Fixed Amount

Field	Options
<b>Type</b>	<ul style="list-style-type: none"> <li>• Policy: list the specific policy amount the employee is eligible to receive. (i.e., \$75,000 of coverage)</li> <li>• Premium: list the specific premium amount that should be taken out of an employee's pay stub. (i.e., \$5 per pay period)</li> </ul>
<b>Amount</b>	Users may enter the specific policy or premium amount for the entire organization for this GTL code at the company level. If it varies by employee, we recommend setting this up on each applicable employee

The screenshot shows the 'Add Earning' form with the following fields and values:

- Earning:** GL50 - Excess GTL over 50,000
- Code \*:** GL50
- Description \*:** Excess GTL over 50,000
- Frequency:** Every pay period
- Calculation Type \*:** Fixed Amount
- Type:** Premium
- Premium Amount:** \$0.0000

Annotations in the screenshot include:

- A red circle with the number '1' next to the Earning dropdown.
- A red box around the Code, Description, and Frequency fields.
- A red arrow with the number '2' pointing to the Calculation Type dropdown.
- A red circle with the number '3' next to the Save button.

Screenshot is available on the next page

### Factor of Salary

Field	Options
<b>Factor</b>	Represents a number that will be multiplied by the employee's annual salary to create the policy amount of life insurance coverage.
<b>When to Calculate</b>	<ul style="list-style-type: none"> <li>• Current Salary: meaning the policy amount will update with any salary change throughout the year.</li> <li>• Salary as of: meaning the policy amount will remain fixed throughout the year and update once per year, such as the beginning of your fiscal year.</li> </ul>
<b>Round Salary</b>	Rounding allows organizations to ensure all policy amounts are in a consistent format.

The screenshot shows the 'Add Earning' form with the following fields and annotations:

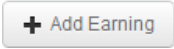

- Annotation 1:** A red circle with the number '1' is placed next to the 'Earning' dropdown menu, which is currently set to 'GL50 - Excess GTL over 50,000'.
- Annotation 2:** A red circle with the number '2' and an arrow pointing to the 'Calculation Type' dropdown menu, which is set to 'Factor of Salary'.
- Annotation 3:** A red circle with the number '3' is placed in the bottom right corner of the form, near the 'Save' button.

The form fields include:

- Earning:** GL50 - Excess GTL over 50,000
- Code \*:** GL50
- Description \*:** Excess GTL over 50,000
- Frequency:** Every pay period
- Calculation Type \*:** Factor of Salary
- Round Salary:**  Round Salary
- Factor Amount:** 2.500
- When to Calculate:** Current Salary

### Step 3: Adding a GTL Policy to an Employee.

Follow the steps below to open the employee and navigate to add an additional earning:

- 1 Go to the **Manage Employees** area, and locate the necessary employee.
- 2 Using the left navigation menu, click **Compensation**, then **Earnings**.  
The employee's current earning codes will display.
- 3 Click .
- 4 Select the necessary GTL earning code.  
Click .
- 5 If necessary, check the box next to **Employee Override**. This will allow you to enter or update the **Policy Amount** or **Premium Amount**.

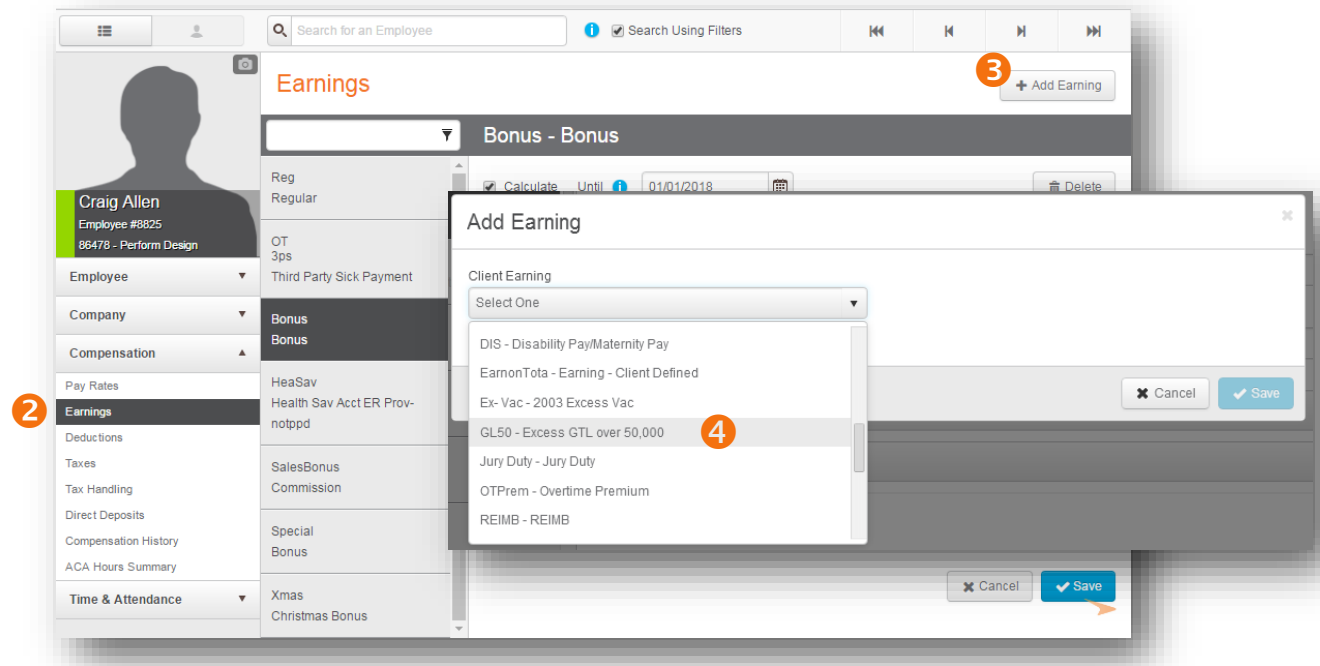
Note: **Factor of Salary:** By checking this box, the Policy Amount will no longer recalculate when changes are made to the Employee's Rate of Pay and setting on the Client Earning.

**Fixed Amount - Policy:** By checking this box, the Policy Amount entered will override the Policy Amount set on the Client Earning.

**Fixed Amount - Premium:** By checking this box, the Premium Amount entered will override the Premium Amount set on the Client Earning.

- 6 Verify that all of your selections are accurate.

Click .



Screenshots are continued on the next page

### Policy Type: Factor of Salary

**Add Earning** ✕

Client Earning  
GL50Factor - Excess GTL over 50,000

<b>Code</b> GL50Factor	<b>Description</b> Excess GTL over 50,000
<b>Policy Type</b> Factor of Salary	<input type="checkbox"/> Employee Override
<b>Policy Amount (Salary x3)</b> <span style="border: 1px solid #ccc; padding: 2px;">\$62,400.00</span>	<b>Premium Amount</b> \$25.54

✕ Cancel Save

### Policy Type: Fixed Amount – Policy

**Add Earning** ✕

Client Earning  
GL50 - Excess GTL over 50,000

<b>Code</b> GL50	<b>Description</b> Excess GTL over 50,000
<b>Policy Type</b> Fixed Amount - Policy	<input type="checkbox"/> Employee Override
<b>Policy Amount</b> <span style="border: 1px solid #ccc; padding: 2px;">\$0.00</span>	<b>Premium Amount</b> \$0.00

✕ Cancel Save

### Policy Type: Fixed Amount - Premium

**Add Earning** ✕

Client Earning  
GL50FxPrem - GTL over 50,000-Fixed Premium

<b>Code</b> GL50FxPrem	<b>Description</b> GTL over 50,000-Fixed Premium
<b>Policy Type</b> Fixed Amount - Premium	<input type="checkbox"/> Employee Override
<b>Premium Amount</b> <span style="border: 1px solid #ccc; padding: 2px;">\$13.88</span>	

✕ Cancel Save

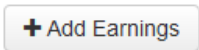


## Adding a GTL Annual Premium to an employee within the paygrid.

While processing a payroll, users may find it necessary to make changes to an employee. These **one-time changes** can be made while working in the paygrid (**Enter Paydata** screen).


Note: Any changes made while in the paygrid will be **one-time changes**. These changes will only take place on this particular payrun. Permanent employee changes, that will be effective for all paychecks going forward, must be made in the **Manage Employees** area.

Once the appropriate payrun has been selected, users will be working in the **Enter Paydata** screen.

Follow these steps in order to enter a GTL Annual Premium amount:

- 1 Select the appropriate employee to open the employee pay details window.
- 2 Additional details for the earnings, deductions, and taxes will be displayed for this particular paycheck. Reference the **Earnings** section.
- 3 Click on .
- 4 Select either the "GL50" or "GTLN401K" earning code. Click .
- 5 System will prompt you "Do you want to calculate on an annual frequency?".  
Click .

Note: If you click **No**, a row will be added where you can add a regular one-time amount.

- 6 The **Group Term Life Premium** pop-up box will appear where you must enter the Premium information.
  - Policy Amount: Enter the policy amount.
  - Paid Deduction: Enter any amount that has been paid out already.
  - Calculated Premium: This is determined by the system and based on the employee's age, policy amount, and the IRS table.Click .
- 7 The Annual Premium will be added as the Earning amount in the drawer.  
Click on **Gross To Net** area to see the updated amount that will now be taxed upon.

Screenshots are available on the next page



The screenshot shows the 'Earnings' tab for Jamie Baum (Employee # 885). A list of employees is on the left, with Jamie Baum selected. The 'Add Earnings' dialog box is open, showing a list of earnings codes. The 'GL50' code is selected, which is described as 'GTL over 50,000'. The dialog has 'Cancel' and 'Add Selected' buttons.

### Calculate Group Term Life Premium - GL50

**Policy Amount**  
\$ 100,000.0000

**Paid Deduction**  
\$ 24.0000

**Calculated Premium**  
\$ 36.0000

Buttons: Cancel, Ok

### Calculate Group Term Life Premium - GL50

? Do you want to calculate on an annual frequency?

Buttons: No, Yes

The screenshot shows the 'Gross To Net' tab for Jamie Baum. A table displays the breakdown of earnings, deductions, taxes, and accruals. The 'Net Direct Deposit' checkbox is checked. The 'Net Total' is \$ 1,203.17.

Earnings	Rate	Hours	Amount	Deductions	Amount	Taxes	Amount	Accruals	Hours
Reg	0.000000	0.0000	\$ 1,650.00	403B	\$ 101.16	MED	\$ 24.08		
GL50	0.000000	0.0000	\$ 36.00	Dent125	\$ 25.00	FITWH	\$ 216.59		
						OH	\$ 45.12		
						OHCIN	\$ 34.88		
<b>Totals</b>		0.0000	\$ 1,686.00		\$ 126.16		\$ 320.67		