



Kay Ivey
Governor

Bill Poole
Finance Director

STATE OF ALABAMA
Department of Finance
Office of the State Comptroller

100 North Union Street, Suite 220
Montgomery, Alabama 36130-2602
Telephone (334) 242-7063 Fax (334) 353-0442
www.comptroller.alabama.gov




Kathleen D. Baxter, PhD, CGFM, CPM
State Comptroller

Michael G. Hudson, CGFM
Deputy State Comptroller

MEMORANDUM

TO: All Chief Fiscal Officers
All Payroll and Personnel Officers

FROM: Kathleen D. Baxter
State Comptroller 

DATE: September 20, 2022

SUBJECT: In-State Travel Payments changes effective October 1, 2022

Effective October 1, 2022, the payment voucher (GAXT1) process for in-state travel for all state employees will change. In-state travel will no longer be paid in GHRS and will be paid in STAARS. This change will allow for employees to receive their travel payments on a faster payment schedule. All employees subject to FICA/Medicare tax withholding will be charged the employee share on their next paycheck based on non-overnight per diem payments coded to STAARS object code 0309. The employees' agency will be responsible for the employer share of FICA/Medicare contributions on non-overnight per diem. The conversion to the new process requires specific attention to travel payments made after October 1, 2022. Specific actions taken are defined below.

- Employee and employer FICA/Medicare contributions related to payments made during calendar 2022 will be charged and posted before December 31 for W-2 processing.
 - December 31 payday will include all approved in-state travel payments for the pay period December 16 through December 23. In-State travel payments made after this date will be approved and charged on the next pay period.
- In-state travel FICA/Medicare reporting and withholding will be processed in accordance with payroll pay periods and will be charged to employees and your agency one pay period in arrears.
 - EXAMPLE: November 1 payday will include all approved in-state travel payments for the pay period October 1 through October 15.
- The Non-Overnight Per Diem Report will be made available on the Comptroller's website under "GHRS Reports" each pay period. The report can be used to calculate FICA/Medicare tax that will be charged to your agency and employees for the pay period.

These actions ensure the State remains in compliance with current IRS tax code. *Please make sure all employees who are paid in-state travel are made aware of this important change.*

In-state travel documents will continue to be keyed into STAARS using the same process as before, with the exception of overpayments. Prior to this change, a negative GAXT1 document was required to collect overpaid funds through payroll. Beginning October 1, if an overpayment is identified, it will be the agency's responsibility to recover the funds directly from the employee and enter a Cash Receipt (CR) document posted to the appropriate travel object codes.

The posted Travel Calendar that provided travel due dates will no longer be applicable with this new process.

We are excited about offering this new change in policy as it will provide a faster turnaround time for employee in-state per diem payments. If you have any questions or need additional information, contact either the State Comptroller's Office Accounts Payable HOTLINE (334-242-4444) or Payroll Section HOTLINE (334-242-2188).

KDB/dws