Deceased Employee's Final Wage Payment

Effective Date: July 19, 2017

Function: Payroll

Contact: [Kathy Shattuck](#)

Basis for Procedure

The purpose of this procedure is to outline the documentation and necessary steps that must be taken to process final wage payments for a deceased employee.

Procedure Summary

When an employee passes away, the Research Foundation for SUNY calculates any vacation and/or remaining pay due to the employee and issues a check to the employee's beneficiary or to the estate if no beneficiary is designated.

Taxation of Final Wages

Payment Made in Same Calendar Year:

If the payment is made in the same calendar year as the employee's passing, Social Security and Medicare taxes are withheld from the payment to the beneficiary. Income taxes are not withheld. The employee's W-2 for that year will show the Social Security and Medicare taxes taken and the will government credit the person for the Social Security and Medicare wages and contributions. The beneficiary will receive a 1099-MISC Box 3 "Other Income" for gross wage amount.

Payment Made in Next Calendar Year:

If this payment crosses calendar year (i.e. employee passes away in 2015 but the beneficiary is not paid until 2016) the entire gross amount due the employee is paid to the beneficiary. The beneficiary will receive a 1099-MISC Box 3 "Other Income" for gross wage amount.

Procedure Steps

Step	Role or Responsibility	References or Tips
Operating location would send the following to the Central Office. • Copy of the death certificate • Deceased employee's beneficiary information, including their address and social security number • Final wage payment and/or vacation payment information including • Project, task and award for these payments • Completed RF form: [Deceased Employee's Final Wage Payment Information (pdf)](#) [Deceased Employee's Final Wage Payment Information (word)](#) • Completed W-9 Request for Taxpayer Identification from the beneficiary	Operating Locations	All documentation should be sent to the Corporate Payroll office.

Operating locations must make the following changes in the Oracle business application: • Change the deceased employee's assignment status to Terminated-Do Not Process. • End date the deceased employee's labor distribution schedule.	Operating Locations	For detailed instructions, refer to the work instruction: Change Assignment Data. For detailed instructions, refer to the work instruction: Enter or Update an Employee Labor Schedule.
Once all required documents have been received by Central Office Corporate Payroll, the following steps must be completed: • Make required copies of documents. • Request preparation of affidavits by Central Office, Office of General Counsel and Secretary (OGCS.) • Send the prepared affidavits to the operating location for signature by the beneficiary and notarization.	Central Office	
Once the documents have been filled out by the beneficiaries and notarized. • Retain one fully-executed affidavit in the deceased employee's file. • Provide one fully-executed affidavit to the beneficiary. • Send one fully-executed affidavit to Central Office Corporate Payroll department.	Operating Locations	
Upon receipt of fully-executed affidavit • Central Office Corporate Payroll department will issue and mail an accounts payable check to the beneficiary or estate executor with a letter from Payroll Department's Compliance Manager at Central Office.	Central Office	

Definitions
None.

Related Information
None.

Forms
RF Form: Deceased Employee's Final Wage Payment Information (pdf)

RF Form: Deceased Employee's Final Wage Payment Information (word)

Change History

Date	Summary of Change
July 19,2017	This procedure has been updated to comply with the new procedure template and has been revised for clarity. Updated links for the RF form: Deceased Employee's Final Wage Payment Information, work instruction: Change Assignment Data, and work instruction: Enter or Update an Employee Labor Schedule
April 19, 2005	Added link to W-9 Request for Taxpayer Identification Number and Certification.
March 8, 2005	New Document.

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.