CAPPS Combined HR/Payroll and Financials User Group Meeting
Thursday, Nov. 20, 2025
9–11 a.m.
(Webinar Only)

I. **Announcements & Reminders**
- Important dates for the first-quarter *Military Workforce Summary Report*:
  - **Dec. 12, 2025** – Maintenance/Correction Deadline.
  - **Dec. 16, 2025** – Acknowledgment and Reporting forms are available.
  - **Dec. 31, 2025** – Acknowledgment and Reporting forms are due.
- Review agency service desk tickets related to calendar year-end (CYE):
  - Review the CYE checklist.
  - Ensure that the proper Level 1 contact information is included in the CYE Service Request (SR) ticket.
- The CPA mainframe and related mainframe web services will be unavailable for maintenance from **Saturday, Nov. 22, at 6 a.m.** until **Sunday, Nov. 23, at 6:30 p.m.** During this time:
  - Agencies are not able to enter new hires.
  - Time administration does not run.
  - Payroll approvals and payroll signature card changes are not processed.
- CPA offices will be closed on the following dates:
  - **Wednesday, Nov. 26 — Friday, Nov. 28, 2025**
  - **Wednesday, Dec. 24 — Friday, Dec. 26, 2025**
  - **Thursday, Jan. 1 — Friday, Jan. 2, 2026**
  - **Monday, Jan. 19, 2026**

II. **CAPPS Production Updates**
- **Financials Updates**
  - The Financials SR Data for October 2025 included 640 new tickets opened and 644 tickets closed. There were 316 tickets carried forward from October into November.
  - The Financials release for November contains three requests consisting of two break-fixes, zero improvements and 1 new feature. Highlights include:
    - **SR-66696** – A break fix that corrects the Voucher Build process to default to the accounting entry template.
    - **SR-67976** – A new feature that requires a 16-digit account number for the Procard-style voucher when paying the U.S. Bank vendor.
  - The Financials release for December contains six requests consisting of three break fixes, two improvements and one new feature. Additional off-cycle releases in December include one break-fix, two improvements and no new features.
  - The Financials release for January contains two requests consisting of one break fix, zero improvements and one new feature. Additional off-cycle releases in January include two break fixes, zero improvements and one new feature.
  - For the new Financials functionality being implemented in the December and January releases, three changes are highlighted for user testing during (UAT). Functionality and acceptance criteria:
    - **SR-66959**
      - **User Story:** *As a requisition approver, I want to see the requisition priority and approval comments on notification emails so I can address approval requests in priority order with the necessary information.*
      - **UAT:** Dec. 15–19. Testers should verify the:
        - Update added priority as determined by the requester on the requisition, approval justification comments entered by the requester (as applicable), and prior approver comments (as applicable).
        - Priority designation is reflected in the subject line and comments are reflected in the body of emails.
        - New information is applied to either header or line-level approvals (only one agency uses line approval).

- Update pertains to the Route for Approval event only.
- Prior approver comments are ordered by the last approver to first approver by level.
- Excessively long comments (more than 4000 characters) are truncated but can be viewed in full on the *Approval Tile* page.
  - **Migrates to Production:** Jan. 8, 2026
- **SR-67126**
  - **User Story:** *As a Cash Receipt user, I want the ability to add an agency contact and phone number to the CAPPS-generated deposit slip, so that the new U.S. Treasury requirement can be met.*
  - **UAT:** Dec.15-Jan. 5. Testers should validate that:
    - Cash receipt users can access the *System Code* table CRDEPSLP.
    - Cash receipt users can add or modify entries in the CRDEPSLP table.
    - The generated deposit matches the information from the CRDEPSLP table.
  - **Migrates to Production:** Jan. 8, 2026
- **SR-69648**
  - **User Story:** *As a self-service user, I want the View Printable Requisition option on the Fluid Approvals page for Requisitions to include buyer information, so I can easily identify the buyer assigned to the requisition.*
  - **UAT:** Dec. 1–8. Testers should run the report as a self-service user from the *Fluid Approvals* page for requisitions and validate that the *View Printable Req* report displays the buyer information.
  - **Migrates to Production:** Dec. 11, 2025.
- Two enhancements were submitted for a vote to be added to the CAPPS Financials baseline. The SRs and the titles from CAPPS Service Desk (CSD) as well as the user stories and proposed solutions are listed below. For complete details, review the CSD SRs. Agencies are encouraged to add comments to the SRs for consideration by the CAPPS Steering Committee before the Dec. 9 Steering Committee meeting.
  - **SR-69312** – Display the User Name on AP Voucher Summary tab (suggested via **ENH-68056**).
    - **User Story:** *As an AP user, having the user's name displayed in association with the CAPPS User ID for the Created By and Modified By fields on the AP voucher Summary tab would assist with identifying the user for research purposes.*
    - **Proposed Solution Summary:** Add the `OPRDEFNDESC` field, which contains users' names from the PSOPRDEFN record as a related field to the `CREATED BY` and `MODIFIED BY` fields on the voucher Summary tab.
  - **SR-69772** – Add last budget-check date to Requisitions to be Sourced Report (suggested via **ENH-64847**).
    - **User Story:** *As a purchasing supervisor, I need the last budget-checked date on the Requisitions to be Sourced Report (TXPO017), so that the purchaser will know when the requisition has been budget checked.*
    - **Proposed Solution Summary:** Add the `KK_DATETIME` field from the KK_SOURCE_HDR table to the report. This date field gets updated when a transaction is budget checked.

- **HR/Payroll Updates**
  - The HR/Payroll SR Data for October 2025 included 1,037 new tickets opened and 1,083 tickets closed. There were 742 tickets carried forward from October into November. The increase in new tickets is the result of beginning CYE activities. The increase in closed tickets is attributed to the completion of the fiscal year-end activities.
  - The HR/Payroll release for November contains 13 requests consisting of three break-fixes, six improvements and four new features. Highlights include:
    - **SR-71653** – A break-fix that deletes attachment files with performance management when the performance document is deleted.
    - **SR-72392** – An improvement that prevents a secondary job from being designated as the primary job.
    - **SR-66576** – A new feature that creates a report listing direct and indirect reports.
  - The HR/Payroll release for December contains six requests consisting of two break fixes, four improvements and zero new features.
  - The HR/Payroll release for January contains four requests consisting of two break fixes, one improvement and one new feature.

- o For the new HR/Payroll functionality being implemented in the December and January releases, three changes are highlighted for UAT. Functionality and acceptance criteria:
    - **SR-70810**
        - □ **User Story:** *As a payroll processor, I want the compensation rate to display in the TX_PY_AGY_PAYROLL_DIST_EARN_HRS query results so this information is available.*
        - □ **UAT:** Dec. 29–Jan. 2. Testers should validate that the payroll processor can run the TX_PY_AGY_PAYROLL_DIST_EARN_HRS query and the compensation rate appears in the results.
        - □ **Migrates to Production:** Jan. 8, 2026.
    - **SR-71814**
        - □ **User Story:** *As a core Human Resources (HR) user or payroll processor, I want address and name changes for terminated employees sent to SPRS using the employee's termination date as the effective date for 90 days after their termination, so that final warrants issued to the employee list the employee's correct name and address.*
        - □ **UAT**: Dec. 1-5. Testers should validate that transactions are created to send SPRS any name and/or address changes using the employee's termination date in cases where the effective date of the changes entered in CAPPS is within 90 days after their termination.
        - □ **Migrates to Production**: Dec. 11, 2025
    - **SR-72935**
        - □ **User Story:** *As a core Position Control user, I want to only be able to see and select UPD as a valid action reason, when adding or correcting Manage Position information, so I use the correct action reason when maintaining position information.*
        - □ **UAT:** Dec. 1-5. Testers should validate:
            - ▫ When adding a row to a current active filled position, that Unit Pay Differential (UPD) is the only available option for maintaining the position.
            - ▫ When maintaining position data, that all other functionality works as designed.
        - □ **Migrates to Production:** Dec. 11, 2025
- o One enhancement is submitted for a vote to be added to the CAPPS HR/Payroll baseline. The SR and the title from CSD as well as the user stories and proposed solutions are listed below. For complete details, review the CSD SR. Agencies are encouraged to add comments to the SR for consideration by the CAPPS Steering Committee before the Dec. 9 Steering Committee meeting.
    - **SR-74039** – Add Texas Commission on Law Enforcement (TCOLE) Accredited checkbox (suggested via **ENH-71834**).
        - □ **User Story:** *As a Core Human Resources (HR) user, I want an additional check box for "TCOLE Accredited" under the Employee profile page so I can identify employees with a college education from a TCOLE Accredited school.*
        - □ **Proposed Solution Summary:** Add a checkbox for `TCOLE ACCREDITED` to the *Education* section on the CAPPS Employee Profile.

III. CAPPS Project Updates

The Talent Acquisition Manager/Candidate Gateway (TAM/CG) for current CAPPS Recruit production agencies and TDCJ is currently 41 percent complete, with all metrics on track for implementation on June 26, 2026. Key activities include:

- Design and build customizations (in progress).
- Received agency configurations — compiling and entering/loading into test environments.
- Defining an approach to preserve historical Taleo data.
- Presented agencies with cutover timing and activity summary.
- Providing agencies with the Taleo to TAM security crosswalk.
- Developing an onboarding alternative to give agencies flexibility in obtaining candidate documents before hireing.

IV. On the Horizon

- Based on the latest Internal Revenue Service (IRS) notice, which announced that the IRS will provide employers with penalty relief in connection with new reporting requirements information for qualified tips and qualified overtime compensation required under the OBBBA, **CPA will not be making any changes to report this information on employees' 2025 W-2s.**

- The reporting requirements for the new overtime income tax deduction necessitate changes to our processes for the 2026 tax year.
  - **SR-73438** – Calculate Qualified Overtime Premium and Update CY Balances effective 1.1.26 for OBBBA Fed Law.
    - CAPPS will develop a custom payroll process to calculate the *Qualified Overtime Premium* amount and report on the *Employee Paycheck/ PDF Earnings* statement on each on-cycle and off-cycle payroll.
    - **UAT:** Dec. 1–5.
    - **Migrates to Production:** Dec. 11.
  - **SR-73211** – Time and Labor (TL) Modification to Calculate Qualified Overtime Premium for OBBBA Fed Law.
    - This work unit involves TL modifications required to meet the qualified overtime premium hours paid for eligible employees, as stated in the OBBBA federal law.
    - Non-exempt employees earn overtime when they work more than the scheduled hours. When the employee physically works more than 40 hours in a week, then the overtime premium earned (0.5 per hour worked exceeding 40 hours) is eligible for the tax exemption under the OBBBA federal law.
    - **UAT:** Dec. 1-5.
    - **Migrates to Production:** Dec. 11. Following migration, the Earliest Change Date (ECD) and Time Administration will be rerun for all agencies.
- **Secure 2.0 CAPPS Implementation**
  - Key changes in the SECURE 2.0 Act of 2022 (Public Law 117-328):
    - Expanding access to retirement plans.
    - Improving long-term savings outcomes.
    - Giving employers more tools to offer retirement plans.
    - Giving employees more ways to save.
  - Currently implemented in CAPPS is a catch-up increase for employees ages 60–63.
  - Upcoming changes in CAPPS for SECURE 2.0:
    - Section 603 requires employees with prior year FICA wages over $145,000 (Box 3 of Form W-2) to make catch-up contributions as a Roth.
    - Section 603 is in effect, but the IRS and U.S. Treasury provided transition relief while final regulations were being developed.
      > **Important:** This wage threshold is indexed for inflation, and the IRS announced that this amount has increased to $150,000 (2025 FICA wages) for 2026 catch-up contributions.
    - Final regulations were issued on Sept. 15, 2025.
    - The CAPPS software vendor has not yet delivered the system updates needed to support the required Roth catch-up processing.
    - Upcoming updates will align CAPPS catch-up processing with the final regulations.

V. Features and Spotlights

We encourage agencies to promote the eConsent options to all employees for their year-end forms (W-2 and 1095-C). As of November 2025, 61 percent of employees across all CAPPS agencies have consented to electronic delivery of their W-2 and 58 percent have consented to electronic delivery of their 1095-C.

- Benefits of electing electronic delivery of year-end forms include:
  - Faster Access
  - Streamlined Administrative Processes
  - Enhanced Security
  - Environmentally Friendly
  - Convenient Record Keeping
  - Simplified Corrections
- Use the eConsent Toolkit (that was emailed to agency HR/Payroll Level 1s) to inform your communication efforts.
- For details, download the *Electronic Consent Year-End Forms* desk aid located on CAPPS Training's Desk Aids page, under the **CAPPS HR/Payroll** section, in the **Human Resources** drop-down menu.
- Review employee consent status using the *TX Year-End Consent Status Report* query (TX_YEAR_END_CONSENT_REPORT).

VI. Open Forum Q&A
- We received no questions from the November user input survey.
- Each month, we release an *Ask Us Anything* survey where user group members may submit questions or suggestions for discussion topics. Members can find the survey link in the calendar invitation for the meeting as well as on FMX's *CAPPS User Group Meetings* pages. We encourage all members to submit questions and suggestions.

VII. Deep Dive Topics
- When a current state employee becomes deceased, final payments of compensation (wages and earned benefits) are issued to the estate or to an authorized spouse.
  - When the agency receives notification of an employee's passing, the:
    - `TERM CODE` to enter (for death) in JOB is **069**.
    - `TERMINATION EFFECTIVE DATE` is the employee's date of death plus one day, regardless of whether the date falls on a weekend.
    - Termination row is reported to ERS on the weekly *Statewide Termination* report.
  - When the death reason code (069) is entered in JOB, CAPPS automatically processes payments as a warrant paid to the estate of the deceased state employee.
    - A name change transaction takes place as an overnight process.
    - If payment needs to be issued to the authorized spouse instead of the estate, a *Letter of Authorization* (LOA) is required to change the name of the payee.
    - As in any legal matter, payroll officers should consult with their agency's general counsel to resolve legal questions related to the disposition of final payments of compensation for deceased state employees.
    - If the final payment has not been processed and an LOA needs to be processed for a name change, the LOA should be submitted promptly.
    - If the final payment has been processed, the agency can validate whether the check can be canceled and reissued.
  - If the deceased state employee completed at least six months of continuous state employment, the estate or spouse of a deceased state employee is entitled to:
    - Available Annual leave (ANLVD).
    - One-half of accumulated Sick leave or 336 hours, whichever is less (SICKP).
    - Available FLSA Overtime (FLSAP).
  - Payment entries are automatically reflected on the timesheet 14 calendar days after the term's effective date and the JOB action is completed.
    1. Verify that the payment entries are ready to be processed. Ensure that the timesheet `STATUS` is *SB*, which means that time administration has processed the timesheet entries.
       > **Navigation Path**
       > **Dashboard:** Time and Labor; **Tile:** Time Management; Super User Timesheet.
    2. Verify payable time. The `PAYABLE STATUS` should reflect *Estimated* or *Rejected by Payroll* so the hours can load during the Time and Labor Load process.
       > **Navigation Path**
       > **Dashboard:** Time and Labor; **Tile:** Time Management; Payable Time.
    3. Was a paycheck for regular Base Salary (BSY) pay generated at the time of the employee's passing notification?
       - ☐ **If YES**, A *Cancel* and *Reissue* needs to be processed so the payment can be generated as a warrant for the appropriate party.
         - ▫ Process the Cancellation first.
         - ▫ If a name change for the payee is needed, the LOA for the name change needs to be submitted and completed.
         - ▫ Before the BSY payment is reissued, the mail code needs to be updated, which is done through the LOA.
         - ▫ The *Reissue* can then be processed.
       - ☐ **If NO**, check if a name change is needed before processing the BSY payment.
       > **Note:** At no point would a replacement be processed – this process is only for when a warrant is lost.

- o For more information on computation of payment for BSY and leave time, see Texas Payroll/Personnel Resource's [Entitlement to Payment, Taxes and Deduction Considerations](#) and [Computation Examples](#) pages on FMX.
  - o CAPPS generates the deceased employee report and attaches it to the agency's CYE ticket for the agency's review.
  - o eConsent status is removed for deceased employees; therefore, the W-2 and 1095-C forms will be mailed.
  - o For more information, see Texas Payroll/Personnel Resource's [Payments to Estates of Deceased Employees](#) page on FMX.
- Before processing the December On-cycle payroll, the agency should:
  - o Ensure employees' pay is accurate for the calendar year.
  - o Verify any pending items regarding:
    - Employees Underpaid
    - Employees Overpaid
    - Employees paying back an overpayment
- In preparation for W-2 forms and ensuring their accuracy, pending payment items need to be addressed. If an agency determines the employee must repay an overpayment, the agency must go through due process. For more information, see Texas Payroll/Personnel Resource's [Overpayments](#) page on FMX.
- The Return Money payroll process is used to process funds coming back from the employee to the agency. This process can be used in the following scenarios:
  - o A terminated employee received a full paycheck but had Leave Without Pay hours that were not deducted; the employee makes a payment to the agency for the difference.
  - o An active employee owes pay for hours that should not have been paid out; the employee does not want their next paycheck to be docked; the employee makes a payment to the agency for the money owed.

  > **Note:** A Return Money payroll is different from a Replacement payroll (used when a warrant is destroyed or lost) and a Cancellation/Reversal payroll (used for direct deposits coming back from a banking institution, or warrants returned by the employee).

- If an employee makes a payment to the agency for an overpayment that occurred in the current calendar year, the following steps will apply:
  - o Determine the amount the employee owes utilizing the **Manual Payset** tab of the *Gross to Net Spreadsheet*. The *Gross to Net Spreadsheet* can be requested during CYE via the agency-specific CYE Service Request (SR) ticket or at any time by opening an *Information* SR.

    > **Note:** There are two different spreadsheets, depending on the employee's current W-4 elections. Be sure to request the appropriate spreadsheet: *2025 Gross to Net (2019 or earlier W-4)* or *2025 Gross to Net (2020 or later W-4)*. Verify the employee's Federal Form Version on the **Federal Tax Data** tab of the **Employee Tax Data** page.

  - o The return money should be placed in the 9015 account. Once the agency receives the return money from the employee, the amount should be deposited into fund 9015 (used for Return Money from an employee) in the Uniform Statewide Accounting System (USAS). The following coding block should be used in USAS when depositing funds from an overpayment:
    - Transaction Code   188
    - Program Cost Account: 99915
    - Comptroller Object: 3790
    - Appropriation: 07738
    - Agency Fund: 9015

    > **Note:** The agency must confirm the deposit has been recorded on the USAS 57 screen (SO57) before entering the returned money transaction in CAPPS.

  - o Process Return Money payroll in CAPPS, utilizing the *Returned Money Checklist*.

    > **Navigation Path**
    > Read-only checklist:
    > **Dashboard:** Payroll & Commitment Acctg; **Tile:** Payroll Checklist. Search for *Returned Money*.
    > Downloadable checklist:
    > **Navbar:** Menu; Reporting Tools; Query; Query Viewer.
    > Search by QUERY NAME that begins with *TX_PY_PAYROLL_CHECKLIST*.

- The Return Money process will not automatically update Time and Labor. Agencies should review Payable Time.
- If an employee has outstanding *Leave Without Pay* hours, the outstanding dock (DOCKP) hours must be manually closed once the employee pays back the money.

  > **Navigation Path**
  > **Dashboard:** Time and Labor; **Tile:** Time Management; Close Payable Time.

- When processing return money for a prior year:
  - No processing is required in CAPPS for this adjustment.
  - File IRS Form 941-X to report the adjustment to OASDI and Medicare taxable wages and to request a refund from the IRS for both the employee and employer portions of OASDI and Medicare taxes. Ensure the box is checked to receive the refund from the IRS.
  - File a W-2c to adjust the employee's taxable wages in Box 3 (*Social Security Wages*) and Box 5 (*Medicare Wages*) for the year in which the overpayment occurred. Box 1 (*Wages, Tips, Other Compensation*) remains unchanged.
  - Submit a W-3c to the Social Security Administration.
  - Provide a copy of the W-2c to the employee.
  - Process a DOC5 to refund the employee. If the gross amount of the overpayment is recovered, issue a refund to the employee for the amount of OASDI and Medicare taxes they are no longer liable for due to the repayment. Alternatively, the employer may opt to recoup the gross amount less the OASDI and Medicare taxes to avoid issuing a separate refund to the employee.
  - Complete Journal Voucher Adjustment. Coordinate with the agency's accounting department to facilitate the transfer of funds by moving the deposited overpayment from account 9014 to the original funding source.
  - Maintain detailed records of all related documents in the employee's file.
  - Ensure archival for any potential future inquiries.

VIII. Wrap-up/Close Meeting

- The meeting presentation and SRs for Governance documents will be emailed later this afternoon.
- The CAPPS Steering Committee will review and vote on the Enhancement SRs following their Dec. 9 meeting.
- In January, individual user group meetings will be held for each tower:
  - HR/Payroll User Group Meeting — **Tuesday, Jan. 27**
  - Financials User Group Meeting — **Thursday, Jan. 29**
- Submit ideas or suggestions for future user group discussion to: capps.product.team@cpa.texas.gov
- To be added to the distribution list for the user group meetings, email: capps.cgc.ba@cpa.texas.gov