



## CITY OF DENTON

### POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE

SECTION: HUMAN RESOURCES <u>Policy</u> <u>Number and Title:</u>	REFERENCE NUMBER: <u>106.03 Payroll Deductions</u>
SUBJECT: WAGE AND SALARY PLAN <u>Policy</u> <u>Section and Chapter:</u>	INITIAL EFFECTIVE DATE: <u>10/30/84 Human Resources – Total Rewards</u>
<u>Policy Owner &amp; Contact:</u>	<u>Human Resources – (940) 349-8355</u>
<u>Policy or Directive:</u>	<u>Policy</u>
TITLE: <u>PAYROLL DEDUCTIONS</u> <u>Last</u> <u>Revision Date:</u>	LAST REVISION DATE: <u>07/20/2010</u>

### POLICY/DIRECTIVE PURPOSE STATEMENT:

The City of ~~Denton's policy on Denton~~ is committed to maintaining fairness, legal compliance, and clarity regarding financial obligations and payroll deductions ~~is to limit to.~~

Payroll deductions include taxes, insurance premiums, retirement contributions, and other specific approved voluntary contributions. ~~These deductions for the City may be divided~~ Deductions are classified into two categories: 1) mandatory and 2) employee authorized. ~~The mandatory category includes deductions, which include taxes, garnishments required by law or order of a court ordered payments, and of competent jurisdiction city repayment items, and contributions to authorized retirement. The programs with required participation for eligible employees; and employee-authorized category includes, but is not limited to, deductions, which include~~ City insurance premiums, Healthcare Flexible Spending Account and Dependent Care Flexible Spending Account contributions, Civil Service Association dues, United Way contributions, and additional federal income tax withholdings, and voluntary contributions to 457 deferred compensation plans.

### CURRENT EMPLOYEE DEDUCTIONS:

#### I. MANDATORY DEDUCTIONS

A. This policy identifies the types of certifications, education, licenses, training, and City-issued items that may be subject to repayment to the City, and it outlines the responsibilities for wage deductions and repayment of costs incurred by employees.

All applicable deductions and repayment requirements will be administered in accordance with applicable laws, regulations, and the City's internal procedures.

## **POLICY**

### **I. Current Employee Deductions**

#### **A. Mandatory Deductions**

1. Taxes, including but not limited to, Federal Insurance Contributions Act (F.I.C.A.) and federal withholding taxes.
2. B. Contributions to authorized retirement programs, excluding employees who do not meet eligibility requirements.
3. C. Any court ordered payment.

#### ~~II. EMPLOYEE AUTHORIZED DEDUCTIONS~~

#### ~~B. Employee Authorized Deductions~~

The following deductions may be taken from employee paychecks ~~according to the specified~~ This, which is a non-exclusive list.

#### ~~A. Deductions Taken the First and Second Payroll of Each Month~~

1. 1. Benefit premiums and contributions, or portions thereof, for employee and dependent coverage under City-authorized plans that are not paid for by the City.
  - a. Premiums and contributions will be deducted from the first and second payroll of each month, -ensuring coverage for that corresponding month.
    - a. Employees on approved leave, whether paid or unpaid, must timely pay their portion of the insurance premiums to maintain coverage.
  - b. For months with a third payroll, benefit deductions may not be taken.

2. ~~\_\_\_\_\_2.\_\_\_\_\_~~ Civil Service Association dues that are expressly authorized by the employee annually.

3. ~~\_\_\_\_\_3.\_\_\_\_\_~~ Healthcare Flexible Spending Account and Dependent Care Flexible Spending Account

C. ~~\_\_\_\_\_B.\_\_\_\_\_~~ Deductions Taken from Each Payroll in the Calendar Year, if elected

1. ~~1.~~ Contributions to United Way

2. ~~2.~~ Contributions to any voluntary 457 Deferred Compensation Plan

3. ~~3.Extra~~ Additional federal income tax withholding

### ~~III. SEASONAL/TEMPORARY EMPLOYEE DEDUCTIONS~~

D. ~~\_\_\_\_\_~~ Seasonal/Temporary Employee Deductions

Payroll deductions for seasonal and temporary employees will include F.I.C.A. and federal income tax withholdings.

### ~~IV. CANCELLATION OR UPDATE OF DEDUCTIONS~~

E. ~~\_\_\_\_\_~~ Cancellation or Update of Deductions

Employees wishing to cancel payroll deductions from or update dependent information, must contact the Human Resources Department and complete the appropriate forms.

### ~~V. SEPERATING EMPLOYEE DEDUCTIONS~~

F. Separating Employee Deductions

This section identifies types of certifications, education, licenses, training, and City-issued items that must be returned or repaid to the City of Denton ("City") upon an employee's separation. Refer to City Policy 107.09 – Tuition Reimbursement for repayment requirement upon separation.

1. Certifications, ~~Education~~ Educations, Licenses, and Training-
  - a. If the Program cost is \$1,000.00 or less, the employee has no repayment obligation.-
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  - b. If the Program cost exceeds \$1,000.00, regardless of program completion, and the employee voluntarily, or involuntarily participation as described in Section III below, separates from the City prior to a date two years from the date payment for the Program was made by the City (Program Date), the employee is required to repay the City a prorated portion of the program cost based on the length of time employment after the Program Date: -
    - a. Separation immediately upon payment of the Program: 100% repayment-
    - b. Completion of at least 6 months of employment after the Program Date, but less than 1 year: 75% repayment-
    - c. Completion of at least 1 year of employment after the Program Date, but less than 1 year and 6 months: 50% repayment-
    - d. Completion of at least 1 year and 6 months of employment after the Program Date, but less than 2 years: 25% repayment-
    - e. No repayment is required if the employee remains employed for a two-year period following the Program Date.-
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  - c. Employees must promptly pay any remaining balance not covered by their final paycheck. The City may take any action or pursue any remedy legally available to the City for the employee's failure to pay. Payment to the City must be submitted no later than      ~~(xx)~~ seven (7) calendar days after separation unless the City and employee agree in writing to a different payment due date.-
2. ~~-~~City Issued Item-
  - a. The City may issue items necessary for employees to perform their duties effectively and safely. Upon separation, employees are required to immediately return any City-issued items. If items are not returned within two (2) business days from separation, deductions may be made from the employee's final paycheck, where permissible.- If the final paycheck cannot sufficiently cover the full amount owed, the employee must promptly pay the remaining balance. The City may take any action or pursue any remedy legally available to the City for the employee's failure to repay the amount owed to the City. Payment to the City must be submitted no later than

~~(XXseven (7))~~ calendar days after separation unless the City and employee agree in writing to a different payment due date.-

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The City may also deduct money from an employee's paycheck or require reimbursement under the terms provided in the paragraph above for items that are lost, stolen, or damaged due to negligence.-

### ~~III. EXCEPTION~~

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## II. Exceptions:

Repayment requirements of program costs do not apply for separations due to layoff, death or disability. All termination regardless of reason, must return city issued items.-

### ~~V. TERMINATION AND BENEFITS COVERAGE~~

## III. Termination and Benefits Coverage

G.A. Should an employee terminate employment prior to the end of the month, elected health, dental and/or vision benefit coverage will remain in effect until the end of that month. Every attempt will be made to deduct applicable premiums and contributions from the employee's final paycheck.

However, if the final paycheck is insufficient to cover the premiums and contributions, or if the deductions is not made from the final check, the former employee will be responsible for ensuring the remaining premiums and contributions are paid.

If the former employee does not pay the remaining premiums and contributions, any benefits paid on behalf of the employee or any dependents shall be recouped by the appropriate payor.

### ~~VI. REPORTING ERRORS~~

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#### IV. Reporting Errors

If an employee has questions about payroll deductions or believes their wages have been subject to any improper deductions, the employee should report their concerns in writing to their supervisor or payroll timekeeper immediately. If a supervisor or payroll timekeeper is unavailable or if the employee does not ~~received~~receive a satisfactory response within three (3) business days after reporting the concern, ~~the~~ employee should contact Human ~~Resource~~Resources. If the employee has not received a response from Human Resources within five (5) business days and is unsure who to contact to correct the problem, the employee should immediately contact the City Manager's Office.

#### DEFINITIONS

**Program** – Certifications, education, licenses, or training—  
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**Wage Garnishment**— An authorized payroll deduction from an employee's gross wages— due to a court order or official notice to fulfill certain financial obligations or debts.

#### REFERENCES-

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- City Policy 102.11 – Uniforms-
- City Policy 102.13 – Employee Fuel/Gate Access Card-
- City Policy 107.09 – Tuition Reimbursement
- City Policy 109.01 – Corrective Action-
- City Policy 111.08 – Personal Leave without Pay
- City Policy 111.09 – Other Leave
- City Policy 409.04 – Use of Back Support Belts-
- City Policy 410.06 – Respiratory Protection Program–
- City Policy 505.02 – Publications Standards and Usage Policy-
- City Policy 505.03 – Identification Cards/Fobs-
- City Policy 506.01 – Acceptable Use of Technology Resources Standard-

#### REVISION HISTORY

Revision Date	Policy Owner	Summary
<del>01/01/2022</del> <u>10/30/1984</u>	<del>S. Kueehler</del> <del>(HR)</del> <u>Human</u> <u>Resources</u>	<ul style="list-style-type: none"><li>• Initial Policy Adoption</li><li>• <del>Policy Statement Adopted by City Council on</del> <del>xx/xx/xxxx</del></li></ul>

<del>01/01/2023</del> 07/20/2010	M. Gilbreath ( <del>HR</del> ) <u>Human Resources</u>	<ul style="list-style-type: none"> <li>•<del>General Updates to Admin. Procedures</del></li> <li>• <del>Added a Procedure for XYZ</del></li> </ul>
01/01/2024DATE	M. Gilbreath ( <del>HR</del> ) <u>Human Resources</u>	<ul style="list-style-type: none"> <li>• Revised Policy Statement Adopted by City Council on xx/xx/xxxx</li> <li>• <del>General Updates to Admin. Procedures</del><u>Enhanced clarity and readability, removed procedural steps</u></li> <li>• <u>Content added related to certifications, education, licenses, training, and City owned items</u></li> </ul>