

POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE

SECTION: HUMAN RESOURCES	REFERENCE NUMBER: 106.03
SUBJECT: WAGE AND SALARY PLAN	INITIAL EFFECTIVE DATE: 10/30/84
TITLE: PAYROLL DEDUCTIONS	LAST REVISION DATE: 07/20/2010

POLICY STATEMENT:

The City of Denton's policy on payroll deductions is to limit deductions to taxes, insurances, retirement, or specific approved voluntary contributions. Payroll deductions for the City may be divided into two categories: 1) mandatory and 2) employee authorized. The mandatory category includes taxes and retirement. The employee-authorized category includes, but is not limited to, City insurance premiums, excess medical and dependent care, credit union shares or payments, United Way contributions, and extra federal income tax withholdings.

ADMINISTRATIVE PROCEDURES:

I. MANDATORY DEDUCTIONS

- A. Taxes, including but not limited to, F.I.C.A. and federal withholding taxes.
- B. Contributions to authorized retirement programs except for employees not meeting requirements for eligibility.
- C. Any court ordered payment.

II. OPTIONAL PAYROLL DEDUCTIONS WITH INDIVIDUAL AUTHORIZATION FOR ALL REGULAR EMPLOYEES

Below are examples of deductions taken from employee's paychecks and the frequency of the deduction. This is a non-exclusive list.

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

- 1. Benefit premiums and contributions for employee and dependent coverage by City-authorized plans that are not paid for by the City.

Premiums and contributions will be deducted from the first and second payroll of each month, and shall provide employees with coverage for that corresponding month. For months that include a third payroll, benefit deductions may not be taken.

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Should an employee terminate employment prior to the end of the month, elected health, dental and/or vision benefit coverage shall remain in effect until the end of that month. Every attempt will be made to ensure that all applicable premiums and contributions are deducted from the employee's final paycheck. However, in cases where the final paycheck is not sufficient to cover the premiums and contributions, or where the applicable deduction is not made from the final check, the former employee shall 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.

2. Credit Union
3. Excess Medical and Dependent Care

B. Payroll Deductions Taken From Each Payroll in the Calendar Year

1. Contributions to United Way
2. Contributions to any 457 Deferred Compensation Plan
3. Extra federal income tax withholding

III. SEASONAL/TEMPORARY

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

IV. CANCELLATION OF DEDUCTIONS

If an employee desires to cancel deductions from payroll, or change the number of dependents for any purpose, the Human Resources Department must be contacted and appropriate forms completed to properly execute this transaction.

V. REPORTING ERRORS

If an employee has questions about deductions from his/her pay or he/she believes his/her wages have been subject to any improper deductions, the employee should report his/her concerns to his/her supervisor or timekeeper immediately. If a supervisor or timekeeper is unavailable or if

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the employee has not received a satisfactory response within three (3) business days after reporting his/her concern, he/she should contact Human Resources or Payroll. If the employee has not received a response from Human Resources or Payroll within five (5) business days and is unsure who to contact to correct the problem, he/she should immediately contact the City Manager's Office.