

Metro | *Policies and procedures*

Subject	Payroll Procedures
Section	Finance and Regulatory Services
Approved by	Marissa Madrigal, Chief Operating Officer
Approved on	April 15, 2022
Replaces	Payroll Procedures adopted on 7/18

POLICY

Metro maintains payroll schedules and policies that ensure employees are paid in accordance with legal requirements.

Applicable to

All employees.

Where provisions of an applicable collective bargaining agreement directly conflict with this policy, the provisions of that agreement will prevail.

Definitions

Payday: The calendar date on which checks are issued to employees.

Off-Cycle Checks: Checks issued on dates other than scheduled paydays. Due to bank timing constraints, direct deposit is not available for off-cycle payments.

Kronos: The software timekeeping system used by Metro to record employees' time worked, exception hours, and how that time should be allocated to funds, departments, programs, and projects.

Kronos Help Desk: The email inbox for all Kronos related questions, corrections, or issues (kronoshelpdesk@oregonmetro.gov).

Guidelines

The Payroll Division will administer all functions of payroll within legal guidelines, ensuring employees are paid as directed by statutes, policies and collective bargaining agreements. All lawful withholdings and authorized deductions will be subtracted from gross earnings.

Procedures

Paychecks

1. Employees shall be paid on a bi-weekly schedule, every other Friday. In the event the normal payday falls on a holiday, the payday shall be the workday before the holiday.
2. Any pay changes that are made will become effective on the first day of the following pay period.
3. Payroll deductions will be made for income tax withholding, workers' compensation insurance, and other deductions mandated by federal or state law. Some deductions will be withheld on every paycheck, others will be withheld on only the first two paychecks of a month. Deductions that may be withheld include (but are not limited to):
 - a. Withheld on every paycheck:
 - i. federal and state taxes;
 - ii. workers' compensation insurance;
 - iii. garnishment (excluding child support);
 - iv. PERS contributions;
 - v. 401(k) and Section 457 plan deductions and loan repayments;
 - b. Withheld on only the first two paychecks of a month:
 - i. health, dental, and vision insurance;
 - ii. life insurance;
 - iii. long-term disability, accidental death and dismemberment insurance;
 - iv. Flexible Spending Account deductions;
 - v. child support;
 - vi. parking deductions;
 - vii. charitable donations, if requested by the employee and approved by the Chief Operating Officer.
 - c. Union dues are withheld either every paycheck or only the first two paychecks of a month, per the collective bargaining agreement.
4. Employees being paid by direct deposit will have their pay information available in printable format via PeopleSoft Self Service by 8am on payday. If a printed pay statement ("advice") is desired, the employee must request this service using Metro-provided forms.
5. Paychecks and pay statements will be mailed to the address on file each pay period. Individual distribution procedures are determined at the department level. Individual employees may not pick up paychecks directly from the Payroll Division, except that an employee may request Payroll to hold his or her first or final check for pick-up.

Underpayments

6. The Payroll Division will remedy any underpayments as soon as possible after they are discovered and confirmed.

7. If an employee believes they has been underpaid, it is the employee's responsibility to notify his or her Supervisor, who will in turn notify the Payroll Division. If the Supervisor is unavailable, the employee may contact the Payroll Division directly.
8. Payroll will determine, in consultation with the Supervisor, whether there has been an underpayment.
9. If an underpayment has occurred as a result of incorrect Kronos data, the Supervisor will notify the Kronos Help Desk via email. The email must contain the following information:
 - a. Employee Name;
 - b. Employee ID;
 - c. Date of error;
 - d. Explanation of correction needed; and
 - e. Account code change, if needed.
10. Once the Supervisor has notified the Kronos Help Desk of the error, Payroll staff will enter a historical edit into Kronos to record the correction.
11. If the underpayment is not in dispute and the underpaid amount is more than 5% of the employee's current gross wages per pay period, an off-cycle check will be issued within 3 business days. If an undisputed underpayment is less than 5% of gross wages, the unpaid amount will be included on the next regular paycheck.
12. If the Supervisor believes that the employee was paid correctly, the Supervisor will meet with the employee to explain why there is no underpayment. If the employee disagrees with this determination, they may follow the grievance procedure outlined in an applicable collective bargaining agreement or contact the Human Resources (HR) Department.

Overpayments

13. Employees who are overpaid are required to repay Metro for any overpayment, regardless of the cause of overpayment.
14. If any employee believes they has been overpaid, it is the employee's responsibility to notify his or her supervisor immediately upon discovering the error. If the supervisor is not available, notification should be made to the Payroll Division.
15. Payroll will calculate the overpayment amount, identify the cause of the overpayment, and notify the employee in writing. The employee will be asked to sign an agreement acknowledging the overpayment and agreeing to a repayment schedule.
16. If the employee disagrees with the determination that an overpayment has occurred, they may follow the grievance procedure outlined in an applicable collective bargaining agreement or contact the HR Department.
17. Once a signed repayment agreement is received from the employee, Metro will collect funds from the employee until the overpayment is repaid in full. If authorized by a collective bargaining agreement, repayment will be made by payroll deduction.
18. If an employee's employment at Metro ends before an overpayment is fully collected, Metro may pursue legal options to collect the funds. Legal options may include the use of a collection agency or a private action in court.

Final Paychecks

19. Supervisors must immediately contact the Kronos Help Desk to notify the Payroll Division of any upcoming voluntary or involuntary terminations so that employees receive their final checks in a timely manner as outlined by state law.
20. The termination date should ordinarily be the last date the employee is present at work and may not be extended by leave time or holidays. The HR Department may approve an exception to this rule in unusual circumstances, such as when an employee on leave is unable to return.
21. Supervisors will have all hours recorded and approved in Kronos no later than 10am on the employee's final day of employment.
22. Once Kronos time is approved, Payroll will process a final off-cycle check for the remaining wages due, minus all lawful taxes and deductions.
23. Payroll staff will mail or hold the check for pickup as directed by the employee.

Responsibilities

Employees:

- Record accurate time for hours worked and leave taken in the Kronos time entry system by the end of the pay period as established by Payroll.
- Verify the accuracy of paychecks received.
- Notify Supervisor of any possible payroll errors. If the supervisor is unavailable, notify the Payroll Division.

Supervisors:

- Verify the accuracy of time reported by employees and approve time reports by the deadline established by Payroll.
- Notify Payroll via the Kronos Help Desk immediately after learning of any Kronos error that needs to be corrected.
- Notify the Payroll Division of any upcoming voluntary or involuntary terminations.

Payroll Division:

- Verify the accuracy of paychecks to data reported. Investigate and resolve any reports of overpayment or underpayment and refer matters to the HR Director or Office of Metro Attorney as appropriate.
- Disburse payroll checks and pay statements to departments for distribution to employees in accordance with this policy. Hold or mail first or final checks as requested by the employee.

Human Resources:

- Obtain written authorization for voluntary deductions if required by law or Metro policy.[EC1]