

SESSION 6 Wage Administration

HUMAN FACTOR II

WAGE ADMINISTRATION

SESSION 6
[Pick the date]

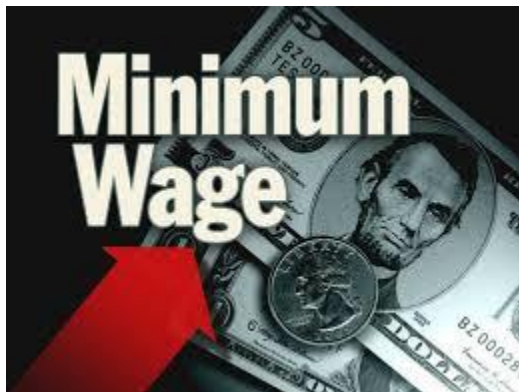
SESSION 6 Wage Administrations

Oracle PeopleSoft Payroll System

Standard Payroll Worksheet

AD	Company	Department	Job Number
00000000000000000000	00000000000000000000	00000000000000000000	00000000000000000000

Name	Rate	Time	Pay	Rate	Time	Pay	Rate	Time	Pay
Ben Peltus	11.11	8.00	88.88	11.11	8.00	88.88	11.11	8.00	88.88
Day Peltus	8.00	8.00	64.00	8.00	8.00	64.00	8.00	8.00	64.00
Day Peltus	11.11	8.00	88.88	11.11	8.00	88.88	11.11	8.00	88.88





Time Keeping

Nonexempt Staff—All regular full-time and regular part-time classified nonexempt staff must record hours worked, vacation, sick, personal time, compensatory time taken, and holiday and recess time. At the end of each workweek, the supervisor and nonexempt staff member must review the weekly time card to certify that the time recorded is accurate.

Exempt Staff—All regular full-time and regular part-time classified exempt staff must record actual hours worked or established weekly schedule (in hours), vacation, sick, personal time and holiday and recess time. At the end of each workweek, the supervisor and exempt staff member must review the weekly time card to certify that the time recorded is accurate. Please see University Policy 07-04-01 for more information.

Compensatory Time and Overtime (Nonexempt Staff)

Prior to working any hours beyond the established schedule for any department, nonexempt staff members must have prior approval of the departmental administrator. Vacation days, personal days, recess time, and paid holidays count for the purpose of calculating overtime and compensatory time. However, the use of each day designated as one of the following—sick, bereavement, jury duty, or compensatory—during a given workweek does not count toward overtime or compensatory time.

Compensatory Time—Compensatory time is defined as time off awarded for the hours worked beyond the normal workweek. If you work beyond the established workweek, you may either be paid a straight hourly rate for those additional hours between 37.5 and 40 or be given compensatory time off, at the discretion of the departmental administrator. If you are entitled to compensatory time off, you must take it by the end of the pay period following the pay period in which it was earned or you will be paid at your regular hourly rate.

Overtime—Nonexempt staff receive overtime compensation for hours worked in excess of 40 in a workweek at the rate of one-and-one-half times the regular hourly rate. Hours worked beyond the standard workweek

must be approved in advance by the departmental administrator. See Policy 07-04-01.

Reducing Pay for Hours Not Worked (Docking)

Fair Labor Standards Act (FLSA)-The FLSA establishes minimum wage, overtime pay, equal pay, record keeping, and child labor standards for employees who are covered by the act. Pursuant to the FLSA, nonexempt employees are entitled to a mandated minimum wage, as well as overtime pay of not less than one-and-one-half times their regular hourly rate of pay for all hours worked in excess of 40 in their workweek.

If you are nonexempt, your pay may be reduced (docked) for such reasons as absences in excess of accrued leave or sick time, tardiness, early departure, disciplinary suspension, or absences without sufficient notification or justification.

If you are exempt, your pay may be reduced (docked) for:

Absences from work for one or more full days for personal reasons, other than sickness or disability.

Absences of one or more full days occasioned by sickness or disability (including work-related accidents) if the

deduction is made in accordance with applicable University policy and/or practice regarding sick days, disability leave, or workers' compensation. Deductions may be made for full-day absences for which an employee receives such disability coverage. Deductions may also be made for full-day absences if an employee has not yet qualified as being eligible for otherwise applicable sickness or disability coverage, and if the employee has exhausted the leave allowed under such coverage.

Offsets of military pay received by an employee for a particular week for absences occasioned by military leave.

Penalties imposed in good faith for infractions of safety rules of major significance.

Unpaid disciplinary suspensions of one or more full days imposed in good faith for infractions of workplace conduct rules and imposed pursuant to a written policy applicable to all employees.

Absences during the initial or terminal week of employment.

Absences that constitute unpaid leave under the Family and Medical Leave Act.

Improper Docking Complaints —The company is committed to proper pay practices and policies. If an employee's pay is found by the University to have been incorrectly docked, the University will reimburse the employee for any improper deductions and will make a good faith effort to ensure that any future deductions are in accordance with the law.

Employees who believe that their pay has been improperly docked may follow the staff complaint procedure as defined in the company staff handbook.

Compensation

Under the University's Staff Classification System, positions are classified according to the qualifications and level of responsibility assigned to the position. Each job classification has an established salary range. For more information, call the Compensation Department of the Office of Human Resources at your employers office.

Performance Appraisal Program

You are to participate with your immediate supervisor in the performance appraisal process at least once a year. You are asked to complete a self-appraisal, which will be discussed in a private meeting. Your supervisor then is to prepare a written appraisal of your performance. The discussion includes reviewing previous feedback about job performance as well as planning for professional development. Professional development may include participating in professional organizations, attending professional conventions, and reading professional literature clearly related to professional development. In addition, your job can often serve as a source for professional development when new assignments and increased responsibilities widen or enhance your current skills. It is

appropriate to discuss work-related subjects that interest you during the appraisal meeting. See Policy 07-05-01.

Promotion and Transfer

If you transfer or are promoted, your salary must be increased to the minimum salary of the range for the classification of the new position. Because of length of service, you may already be above the minimum salary for the new position. In that case, the department, in consultation with the Office of Human Resources, may decide that your experience and background are sufficient to warrant a salary above the minimum. If you transfer or are reassigned to a position with a lower classification, your salary will be subject to review and may be reduced.

Compensation—Withholdings and Deductions

Paychecks are distributed to offices on the last working day of each month and cannot be issued prior to the normal pay date. Paychecks are subject to the deductions authorized by the individual or required by law. Presently, the University is required by law to deduct federal income tax, Social Security tax, Pennsylvania state personal income tax, City of Pittsburgh earned income tax, City of Pittsburgh school tax, local earned income tax for municipalities where University facilities are located, City of Philadelphia wage tax, and emergency and municipal tax (EMS). If you live

outside the City of Pittsburgh, you must file a Pittsburgh local tax exemption certificate (Form WTEX) or other municipality tax exemption certificate. The filing of this form with the Payroll Department will suppress the withholding of the City of Pittsburgh earned income tax from non-city residents. In such cases, the payment of local tax is your responsibility.

Direct Deposit Program

You may elect to have your paycheck deposited on the scheduled payday by the organization directly to your account in an approved banking institution. The banking institution in which the account is maintained must be a member of the National Automated Clearing House Association (NACHA). Deposits can be made in only one banking institution and in only one account in the banking institution. Partial deposits will not be permitted; that is, the total net pay must be deposited. To participate, you must complete the proper authorization agreement, which is available in the Payroll Department. You will receive a Statement of Deposit in lieu of a paycheck. The pay stub, listing withholdings and deductions, will be attached to the Statement of Deposit.

Salary and Wage Administration Functions and Responsibilities

Intent

The Salaries and Wages section of the Employees: Personnel Administration business area is intended to ensure consistent application of Research Foundation (RF) policies and procedures for salary and wage administration.

Compliance with these policies and practices is subject to audit review.

These provisions are not conditions of employment and can be modified, revoked, or changed at any time without notice. No part of this section is intended to be an employment contract between the Research Foundation and its employees nor is to be misconstrued as such a contract.

The Research Foundation's salary and wage policies and procedures are designed to

- provide guidelines for project directors and managers when determining employee salaries.
- reinforce the separation of Research Foundation from SUNY employment.
- reward performance.
- attract, retain, and motivate competent personnel.

External Constraints

As a private, nonprofit organization, the Research Foundation is subject to state and federal regulations, including:

- Fair Labor Standards Act (FLSA)

The Research Foundation must comply with the equal pay, minimum wage, and overtime pay standards of the Fair Labor Standards

Act (FLSA) as amended. The FLSA includes provisions on minimum wage and/or overtime pay requirements and establishes rules for determining employee exclusion from these requirements.

- NYS Labor Laws

The Research Foundation must comply with New York State Labor Law Article 19 regarding minimum wage provisions and overtime provisions, and Article 6, which requires prompt payment of wages and accrued benefits to employees who have terminated employment.

- IRS regulations

The Research Foundation must comply with IRS requirements regarding reporting and taxation of all monetary compensation, including approved reimbursements for moving expenses and for meal expenses incurred during nonovernight travel.

- Sponsor regulations

The Research Foundation must comply with sponsor requirements regarding salaries and wages when such requirements are more restrictive than Research Foundation policy, such as charging of overtime to awards and caps on salaries and wages. Individual sponsor guidelines must be consulted and adhered to.

Example: NIH Salary Cap

The U.S. Congress has mandated limits on the direct salary of an individual under a grant or contract award issued by

the National Institutes of Health (NIH). The Research Foundation is responsible for complying with these limits for Research Foundation and Income Fund Reimbursable appointments under an NIH award.

Internal Controls

The Research Foundation has established internal controls to ensure that the salary and wage administration policies and procedures are followed and related legal requirements are met. The key internal controls are

- the classification and compensation system
The salaries of Research Foundation employees are controlled by a classification and compensation system that consists of two parts: a classification structure and an annual salary plan. The purpose of the classification and compensation system is to maintain equitable and consistent compensation of employees.

Classification Structure

The classification structure establishes standards for each Research Foundation position and identifies the appropriate pay range.

The structure consists of

- titles for each Research Foundation position
- standards for each position that define the typical duties and other distinguishing features of the position
- pay ranges for each level of positions.
Positions are classified into one of two categories related to FLSA overtime requirements: exempt or nonexempt. An exempt position is one that satisfies the

FLSA tests for exemption from eligibility for overtime payment based on salary and position responsibilities. A nonexempt position is one that does not satisfy the FLSA tests.

The structure has separate salary schedules for nonexempt positions, exempt administrative positions, and exempt positions in sponsored programs.

Annual Salary Plan

The Board of Directors annually approves a salary plan that may authorize across-the-board and/or discretionary salary increases subject to the availability of funds and the general responsibilities and approvals associated with these increases.

- review and approval of salaries

All Research Foundation salaries require the review and approval of the project director or co-project director, the operations manager or designee, and one or more additional administrative officials as required by the operating location.

Individual campus procedures should be consulted for requirements for additional approvals. In all cases, approval is demonstrated by signing the appropriate appointment or change form.

- updating and monitoring the computerized business system

The Research Foundation's computerized business system has been designed to produce a broad

spectrum of standard and customized monitoring reports.

Responsibilities

Operating Locations

The Research Foundation operations manager is responsible for ensuring that

- the Research Foundation annual salary plan is implemented.
Research Foundation and sponsor salary policies and procedures are adhered to when establishing salaries and wages.
- initial salary offers and proposed increases are within available funds and approved schedules.
- salaries established above designated limits for positions receive proper approvals.
- required notices of compliance with wage laws are posted in a conspicuous place, allowing inspection by employees and government agencies.

Delegation

The Research Foundation operations manager at each operating location is responsible for all Research Foundation operations at the location, regardless of who performs the operations. The operations manager is accountable to the Research Foundation Board of Directors for the conduct of such operations. Therefore, the operations manager is permitted to delegate the authority to perform operations but may not delegate responsibilities.

For cases when signatory delegation is allowed, there must be a list of authorized signatory delegates kept on file at the operating location.

Central Office

The Research Foundation Central Office is responsible for

- informing operating locations of changes in Research Foundation policies and legal requirements.
- maintaining the Research Foundation computer system as necessary to support the salary and wage function.

Additional Responsibility

Locations that Input Data into the Computer System

Locations that input data into the Research Foundation computer system are responsible for inputting and maintaining salary information in the system.

Central Office

The Research Foundation Central Office is responsible for inputting and maintaining salary information in the Research Foundation computer system for locations that elect not to input their own data.

Additional Information

The Salary Plan provides guidelines for across-the-board increases and discretionary salary increases. The plan is approved annually by the Research Foundation Board of Directors.

Salary Rules contain documents describing the policies and procedures for establishing salaries, paying for overtime, and making salary adjustments for promotions, demotions, and transfers.

The salary schedules (pay ranges) for sponsored program exempt, administrative exempt, and nonexempt positions are located in the Salary Schedules section.

Position Titles contain one list of Research Foundation titles ordered by position title. Descriptions of the position standards for each Research Foundation title are located in the Position Standards section.

The following table provides sources for further information:

For more information on...	Refer to document...
FLSA rules on overtime pay requirements	State Minimum Weekly Salary Rate for Exemption from Overtime Provisions Requirements for Overtime Pay
How to test positions for overtime payment eligibility	Position Classification Policy Position Classification Procedures
Compensation payments to terminated employees	Compensation at Termination of Employment
Federal and State minimum wage requirements	Minimum Hourly Wage Rates
NIH and DOD Salary Caps	Sponsor Salary Restrictions: NIH and SAMHSA Sponsor Salary Restrictions:

	<u>Department of Defense</u> <u>Sponsor Salary Restrictions: NIH</u> <u>Limitations for Graduate Students</u>
Classifying positions	<u>Position Classification Policy</u> <u>Position Classification Procedures</u>