

ADMINISTRATIVE PROCEDURES



Procedure Number: 22-25

Effective Date: 05/24/1999

Revision Date: 04/05/2012

C. Duellberry
County Administrator

SUBJECT: **PAYROLL INFORMATION AND DEDUCTION CHANGES**

DEPARTMENT RESPONSIBLE: **Finance and Risk Management**

1. STATEMENT

The Department of Finance and Risk Management, Financial Operations Division (Financial Operations, Central Payroll) processes Federal or State withholding, automatic payroll deposits, deferred compensation, retirement system, and other miscellaneous documents affecting an employee's paycheck. In most cases, these forms are processed upon request by the employee. However, it is possible that Central Payroll will make changes to an employee's deductions upon demand by the US Internal Revenue Service, by the Arizona Department of Revenue, or by a valid court order. If Central Payroll makes such a change, the employee will be notified in writing. Most blank forms can be found on the Department of Finance and Risk Management (Finance) intranet site in the forms folder, <http://intranet.pima.gov/Finance/HTML/Forms.html>.

Please note that Central Payroll does not provide tax advice to employees. Any questions that an employee may have regarding any tax issue, including deferred compensation, should be addressed to a professional tax or financial advisor.

This procedure provides information regarding payroll deduction and information forms and explains the procedure that must be followed to ensure that these forms are processed in a timely manner.

2. CHANGES TO AN EMPLOYEE'S ADDRESS

Every employee must have a correct mailing address on file with ADP/HR Benefits Solution because payroll warrants, direct deposit advices, and W-2 forms are mailed to the employee's home. These documents will NOT be sent to the employee's department for distribution nor will the employee be allowed to pick them up. However, if items are returned due to an incorrect address, the employee must correct his or her address through ADP/HR Benefits Solution which can be found on the Human Resources intranet site at <http://www.pima.gov/hr/EmployeeBenefits/OnlineBenefits.html> before obtaining their returned items.

Any time an employee changes his/her mailing address, the employee must make the change through the ADP/HR Benefits Solution system.

3. CURRENT YEAR FEDERAL W-4 - EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE

W-4 forms for the current calendar year can be obtained online at <http://www.irs.gov/pub/irs-pdf/fw4.pdf>, or on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>.

This form is to be used for a change of filing status and/or withholding allowances. Do not use this form to process a change of address. Forms labeled "Change of Address" will be returned unprocessed to the employee's Department.

Only an original, signed W-4 is acceptable. Faxes or photocopies will not be processed.

- 3.1. An employee requesting a change to his/her Federal withholding shall complete a current year W-4 form.
- 3.2. Any change, deletion, or addition to a W-4 makes it invalid. This includes crossing out, blanking out, or adding any language on the form. All forms must be signed, not initialed. An invalid W-4 will be returned to the employee's home address on file along with an explanation as to why the form was considered invalid.
- 3.3. Changes to an employee's Federal withholdings shall be processed within 10 calendar days from the date received by the Financial Operations. (Financial Operations is not responsible for forms lost in the U.S. mail or inter-office mail or for invalid forms.)
- 3.4. The employee is responsible for verifying all Federal taxes withheld from his/her pay. They are listed on the employee's Earnings Statement received bi-weekly.

4. ARIZONA A-4 - EMPLOYEE'S WITHHOLDING PERCENTAGE ELECTION

A-4 forms for the current calendar year can be obtained online on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>.

This form is to be used for a change of State withholding percentage. Do not use this form to process a change of address. Forms labeled "Change of Address" will be returned unprocessed to the employee's Department.

Only an original, signed A-4 is acceptable. Faxes or photocopies will not be processed.

-
- 4.1. An employee requesting a change to his/her State withholding shall complete a current year A-4 form.
 - 4.2. Any change, deletion, or addition to a A-4 makes it invalid. This includes crossing out, blanking out, or adding any language on the form. All forms must be signed, not initialed. An invalid A-4 will be returned to the employee's home address on file along with an explanation as to why the form was considered invalid.
 - 4.3. Changes to an employee's State withholdings shall be processed within 10 calendar days from the date received by Central Payroll. (Central Payroll is not responsible for forms lost in the U.S. mail or inter-office mail or for invalid forms.)
 - 4.4. The employee is responsible for verifying all State taxes withheld from his/her pay. They are listed on the employee's Earnings Statement received bi-weekly.

5. **AUTHORIZATION FOR AUTOMATIC DEPOSIT (DIRECT DEPOSIT)**

- 5.1. Pima County allows an employee to have 100% of wages directly deposited into one savings account, checking account, or prepaid debit/credit card at a financial institution.

An employee also has the option to have a partial amount of his/her wages deposited into a Pima Federal Credit Union account:

- And, receive the remaining wage balance on a warrant.
 - Or, have the remaining wage balance deposited to another Pima Federal Credit Union account.
 - Or, have the remaining wage balance deposited to another financial institution.
- 5.2. Direct Deposits are guaranteed to post to employees' accounts by midnight on payday, unless a disaster occurs in which case, all affected employees will be notified.
 - 5.3. An employee must submit a completed and signed Authorization for Automatic Deposit (Direct Deposit), which includes all relevant bank information, such as the routing number, ABA number, and Account number. This form is located on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>. An original authorization form is required.
 - 5.4. If the automatic deposit for an existing account is to be canceled and another account is to be set up, complete the Changing Account section of the Authorization for Automatic Deposit form.

-
- 5.5. If an employee checks either the New Account Request or Changing Account Type box of the Authorization for Automatic Deposit form, a voided check or a deposit slip must be stapled to the middle of the form. If no voided check or deposit slip is available, one of the following must be provided and stapled to the upper left corner of the form:
- A letter from a financial institution stating the routing number and the account number.
 - A copy of a bank Statement with everything except the name, account number, and financial institution redacted.
- 5.6. Central Payroll cannot process the Authorization for Automatic Deposit form unless the employee completes and signs the Employee Authorization section of the form. Incomplete forms will be returned to the employee's home address on file along with an explanation as to why the form was considered invalid.
- 5.7. If an employee makes any changes, additions or deletions to the language stated in the Employee Authorization section of the Authorization for Automatic Deposit form, Central Payroll will not process the request. Altered forms will be returned to the employee's home address on file.
- 5.8. When an Authorization for Automatic Deposit form is received, the following will occur:
- 5.8.1. Any cancellation to an employee's existing account will take effect on the pay date for that pay period end date.
- 5.8.2. The Automated Clearing House (ACH), which governs the electronic exchange of funds, requires that the employee's financial institution receive and accept a prenote prior to the transmittal of any deposits to a new account. A prenote is the transmission of a non-dollar entry to the employee's financial institution in order to verify the accuracy of the employee's financial institution's routing number and the employee's account number. Upon acceptance of the prenote by the employee's financial institution, deposits to a new account will take effect on the pay date for the subsequent pay period end date. The employee can expect this process to take two pay periods.

For example:

An employee completes an Authorization for Automatic Deposit form in order to cancel his or her existing account and have the funds deposited to a new account. Central Payroll processes the request on August 15th. On the pay date of Friday, August 22nd, the employee's existing account would have been canceled and he or she would have received a negotiable warrant. If the employee's new financial institution accepted the prenote, on Friday, September 5th, the funds would be automatically deposited to the employee's new account.

5.9. Emergency Cancellations:

- 5.9.1. If an employee's bank account is jeopardized due to theft or fraudulent activity, Central Payroll will process an emergency cancellation of the employee's automatic deposit. An original authorization form is required,
- 5.9.2. The employee shall deliver the completed form to the 7th Floor, Administration Building, 130 W. Congress, Attn: Central Payroll.
- 5.9.3. The request must be submitted no later than 9:00 A.M. on the Wednesday following the pay period end date.
- 5.9.4. An emergency cancellation request received after Central Payroll has completed the automatic deposit transmission cannot be processed.

5.10. Central Payroll will cancel an employee's Automatic Deposit in the following circumstances:

- Termination of the employee.
- Death of the employee.
- Certain types of garnishments.

6. PIMA FEDERAL CREDIT UNION

- 6.1. Pima County employees are eligible for Pima Federal Credit Union membership. Please see the New Accounts Representative at any branch office to open an account.
- 6.2. An employee may have 100% of wages deposited to a Pima Federal Credit Union account by completing an Authorization for Automatic Deposit. This form is located on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>.
- 6.3. An employee may have a partial amount of his/her wages deposited into a Pima Federal Credit Union account by completing a Pima Federal Credit Union ACH Deduction Authorization. This form is located on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>.
- 6.4. New direct deposits or deductions or changes to direct deposits or deductions will take affect within 10 calendar days of receipt.

6.5. Central Payroll will cancel an employee's Pima Federal Credit Union Automatic Deposit in the following circumstances:

- Termination of the employee.
- Death of the employee.
- Certain types of garnishments.

7. ARIZONA STATE RETIREMENT SYSTEM RETURN TO WORK AGREEMENT

An Arizona State Retirement System retiree who returns to work for an employer who contributes to the Arizona State Retirement System may be exempt from participating in the retirement program if the employee took normal retirement and has been terminated from full time employment for at least one year.

Pima County employees who meet these criteria must complete and sign an Arizona State Retirement System Retiree Return to Work for an ASRS Employer form. This form can be obtained on line at the Arizona State Retirement System website, www.AZASRS.gov.

Upon receipt of the completed agreement, Central Payroll will exempt the employee from participation in the Arizona State Retirement System.

8. DEFERRED COMPENSATION CATCH-UP – Section 457 Plan

IRS regulations allow individuals to defer the lesser of (1) 100% of gross compensation less any Section 414(h) employer contributions, or (2) a dollar limit in effect for that year.

An employee may also make contributions under the "pre-retirement catch-up provision" if the employee is within three years of retirement OR the "age 50 catch-up provision" if the employee is 50 years of age or older, but not both. This form is to be obtained from your deferred compensation representative.

An employee who submits a deferred compensation form from a deferred compensation plan for an amount in excess of the IRS limits must:

- 8.1. Sign and date the Deferred Compensation Catch-up Form.
- 8.2. Indicate which catch-up provision applies by completing the appropriate section of the Deferred Compensation Catch-up Form.
- 8.3. Submit a Deferred Compensation Catch-up Form with the deferred compensation form.

A Deferred Compensation Catch-up Form that is incomplete or is not submitted with a completed deferred compensation form provided by a deferred compensation plan will be returned to the employee along with an explanation as to why the form was considered invalid.

Note that deferred compensation amounts have an annual maximum. If deducted amounts reach the maximum, the deduction will be discontinued.

9. 401a Plan

Pima County offers a 401a plan. Enrollment forms and regulations can be obtained from Nationwide Retirement.

10. SICK LEAVE PAYOUT UPON RETIREMENT

10.1. Individuals retiring or being laid off from County service who have more than 240 hours of unused sick leave are eligible to request that the sick leave be converted to annual leave and paid out per Pima County Personnel Policy 8-106 H & I.

10.2. Before this will be paid, the retiring or laid off individual must complete and sign a Sick Leave Payout Upon Retirement or Layoff form and submit the form to Central Payroll. This form is located on the Finance intranet site at <http://intranet.pima.gov/Finance/HTML/Forms.html>.

11. DEATH OF AN EMPLOYEE

11.1. If a Pima County employee dies, Central Payroll will cancel the employee's direct deposit upon notification.

11.2. A packet of necessary payroll-related forms is maintained by Central Payroll.

12. MISCELLANEOUS

There are several additional forms that are located on the Finance intranet site, <http://intranet.pima.gov/Finance/HTML/Forms.html>.

12.1. Payroll Request Form –
To be used if there is a need for a duplicate W-2 or a duplicate pay stub.
Financial Operations retains payroll records for 4 years.

- 12.2. Payroll Deduction Cancellation Form –
To be used to cancel any voluntary deduction, such as, parking, union dues, deferred comp, and charitable donations.