

Chief Administrative Office	Date of Issue	Expiration Date	No.
POLICY MEMORANDUM	6/28/99	N/A	27
TO: ALL Divisions and Departments		Subject:	
SIGNATURE:		Payroll Deductions	
COMMENTS:			

Purpose:

To establish a policy concerning the withholding of deductions from employees' paychecks and revising fees associated with this service.

General:

Organizations that wish to have the Urban County Government withhold amounts from employees' paychecks may do so but must meet certain criteria specified in House Bill 230:

30% of the eligible employees in a group must enroll for the deduction. The definition of an eligible group shall be employees who may potentially participate in the deduction and its benefit. For example, a deduction and benefit that applies only to sworn Police personnel shall have as its eligible base the number of sworn Police personnel on the payroll. To be enrolled for a deduction, an employee must sign an enrollment form authorizing the deduction to be withheld from his or her paycheck. These forms will be maintained in the Division of Human Resources.

Organizations, not the affected employees, must pay processing fees that cover the actual cost of withholding the deductions, including programming time, computer processing time, benefits staff time and invoicing.

Fee Schedule:

The fees charged to recover the cost of processing the deductions are composed of three components:

POLICY MEMORANDUM #27	Payroll Deductions	Page 2
-----------------------	--------------------	--------

A one time fee of \$250.00 to cover the cost of computer programming and testing.

A fee of \$2.00 for each employee who enrolls for the deduction or makes a change to it. This portion is to compensate for the Human Resources staff time to enroll the employee and to enter it into the computer. This fee does not apply to deletions due to terminated employees.

A fee of \$10.00 per pay period that the deductions are withheld. If the deduction is once a month, the fee is \$10.00 per month. If the deduction is twice a month, the fee is \$20.00 per month.

Deductions that are part of the officially sanctioned employee benefits package are not subject to processing fees.

These fees are effective immediately, except that deductions that existed prior to 1986, when KRS 65.158 was adopted, will be continued without processing fees.

Invoicing shall be done monthly by the Division of Computer Services and shall be credited to the Data Processing Services account, account number 111-480-000-157.