

CUSHING ISD

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Financial Services

**EXEMPT Employees**  
**Guide to Payroll Matters**

# EXEMPT EMPLOYEES GUIDE TO PAYROLL MATTERS

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# **EXEMPT EMPLOYEES** **GUIDE TO PAYROLL MATTERS**

## **INTRODUCTION**

This document is provided to assist exempt employees in understanding payroll policies, procedures, and practices. Exempt employees are employees whose pay is based on a specified salary regardless of the number of hours worked and are exempt from overtime provisions of the Fair Labor Standards Act.

In this booklet you will find important information regarding payroll policies and procedures that we hope will answer any questions you have. We encourage you to keep the booklet handy to use as a reference throughout the year.

There is an important acknowledgement located in the back of the booklet which must be returned to this office upon your review.

The Payroll/Benefits staff is committed to providing you with professional, helpful, and courteous service. Please submit questions to business office.

# **EXEMPT EMPLOYEES** **GUIDE TO PAYROLL MATTERS**

## **GENERAL**

### **Employee Responsibilities**

This Guide is provided to employees in an effort to assist in answering basic questions regarding payroll policies and procedures and is posted on the District's Business Office website. Periodically, it may be necessary to update this document and/or include additional information. Efforts will be made to communicate major changes to employees; however, it is the employee's responsibility to periodically review this document and be aware of any changes.

The Business office makes every effort to ensure the accuracy of payroll information. Corrections of errors are handled as judiciously as possible. Employees grant the District the right to deduct from future paychecks any amount which is overpaid in error or amounts owed to the District.

### **Employee Access Center**

The Employee Access Center (EAC) is an application that allows employees to access their own personal and payroll information. The following is a brief summary of the capabilities this application offers: ability to submit address changes, ability to modify W-4 tax withholding status, access to employee demographics, deductions and benefits detail, leave information and leave calendar, as well as the detail of previous payroll checks. Employees may access the EAC application from the CISD website.

[www.cushingisd.org](http://www.cushingisd.org)

### **Name and Address Changes**

Address changes and other contact information can be updated by employees using the Employee Access Center mentioned above.

Name changes can only be made in person in the Payroll office. Required documents include a new social security card depicting the new name and the actual Social Security card is required documentation, no substitution can be accepted.

### **Employee Service Calendars**

Service calendars reflect work schedules including required days of service and scheduled non-work days and/or holidays. A school calendar is adopted each year designating instructional and staff development days.

### **Employee Pay Frequency**

Exempt employees are paid on a monthly basis. Service calendars define the number of months' employees are scheduled to work.

The following is exempt employee pay frequency:

- 10 months' employee's salary is paid September to August
- 11 months' employee's salary is paid August to July
- 12 months' employee's salary is paid July to June

### **Pay Dates**

Pay day is the 15<sup>th</sup> of each month unless it falls on a weekend then it will be the Friday before.

Monthly pay dates represent the pay period used to post employee leave dates and extra duty pay.

### **Payroll / Benefits Deductions**

Exempt employee deductions are taken once a month for all types of deductions.

### **Calculation of Pay**

Exempt Teacher/Counselor/RN/Librarian/Other range/step employee's salary is calculated based on years of service formulated from employee service records and days on employee service calendar assigned. This calculation of pay provides an annualized salary paid over a 12-month period.

Exempt administrative employee's salary is calculated based on experience, years of service credit from employee employment records and days on employee service calendar assigned. This calculation of pay provides an annualized salary paid over a 12-month period.

### **Payroll Deadlines**

The deadline for the receipt of paperwork for monthly paid employees is the 1<sup>st</sup> of each month.

The following information should be included on all correspondence with the Payroll office:

- (1) Employee's name
- (2) Employee I.D. number

### **Accuracy of Pay**

The Payroll office makes every effort to ensure that employee's pay, leave, and other information are correct. *It is the employee's responsibility to review their payroll information on the Employee Access Center each month for accuracy, including but not limited to compensation, leave, federal withholding status, benefit elections and other deductions.*

### **Employment Verification**

Employees may verify their own employment by printing salary and benefit information from the Employee Access Center (EAC).

All other forms of employment verification should be in the following format:

- Employee written authorization to release records
- Agencies requesting employment verification must provide form or document listing required information.

### **Distribution of Pay Requires Direct Deposit**

Employees are required to complete a direct deposit form to receive their pay with Cushing ISD. Employees who do not present a direct deposit authorization form to the payroll office will be issued a payroll card issued by the District's depository. Employees can request payroll card information from the payroll office.

Employees will receive a paper pay check for the first pay period pending receipt of direct deposit form or payroll card.

All employees can access their pay information, which includes itemized statements of wages, using the Employee Access Center described within this document.

The benefits of Direct Deposit include: automatic posting of paychecks to individual's bank account, preventing the possibility of a lost check, eliminates time spent driving to the bank or waiting in line at bank to deposit the check, and eliminates gasoline expenses in route to bank. Direct deposit can be initiated by completing the direct deposit form which is available on the District's payroll website or by visiting the Business office.

### **Texas Teacher Retirement System**

Teacher Retirement System administers a defined benefit retirement plan that is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The pension trust fund provides service and disability retirement, as well as death and survivor benefits, to eligible Texas public education employees and their beneficiaries.

Retirement benefits are financed by member and state contributions, employer contributions in some circumstances, and through investment earnings of the pension trust fund.

Cushing ISD participates in the Texas Teacher Retirement System as authorized by law. Employees can learn additional information regarding the Texas Teacher Retirement System by accessing the following website: [www.trs.state.tx.us](http://www.trs.state.tx.us)

### **Deferred Compensation Plans**

Cushing ISD offers two different deferred compensation/tax sheltered annuity plans for retirement purposes. The voluntary tax deferred plans are 403(b) and 457(b). Employees may participate in one or both plans. Employees may request information from **First Financial Administrators** during the enrollment period beginning each school year.

### **Pay Upon Separation from the District**

Employees who are paid on a monthly pay schedule and leave CISD before completing their calendar year assignment will be paid a final check in the month following their resignation.

Employees who participate in the Texas Teacher Retirement System have three options upon separation from the district:

- a. Retirement
- b. Request for Refund of TRS Contributions
- c. Retirement Contributions remain with the TRS System until eligible for retirement

Employees can refer to the TRS website on how to resign or retire for complete information.

Final payoff vouchers will be mailed to the last address on file with the payroll office on the evening before the scheduled pay date. Questions concerning continuation of insurance benefits (COBRA) or TRS distribution should be directed to **First Financial Administrators**.

## **EXTRA DUTY COMPENSATION**

Exempt employees who perform duties outside their assignment must do so outside their work schedule and complete an Extra Duty Authorization to Pay form and a timesheet in order to be compensated. In addition, payment will be based upon a predetermined hourly rate as defined in the Extra Duty Compensation Plan. Extra Duty forms are due in the payroll office by the 1<sup>st</sup> of each month. Extra Duty forms received in payroll after the 1<sup>st</sup> of the month will be processed on the following month's payroll process.

## **LEAVE POLICIES**

The following is provided as a summary of the District's leave policies. For more specific information, refer to Sections DEC (LEGAL), DEC (REGULATION), DEC (LOCAL), DECA (LEGAL), and DECB (LEGAL) of Board Policy.

### **Leave of Absence**

District Policy states that a Leave of Absence form is required when an employee will be absent for reasons that qualify for leave under the Family and Medical Leave Act (FMLA) guidelines (including intermittent leave dates) or other leave reasons. (See Appendix A Employee Rights & Responsibilities Under FMLA).

All employees are required based on DEC policy (Local-Compensation and Benefits) to submit related leave request forms, return to duty forms, and related leave of absence documentation in a timely manner. Refer to DEC (LOCAL) for guidelines.

Employees who anticipate taking a leave of absence are strongly encouraged to contact the Business office to gain an understanding of leave availability and the affect leave will have on their paycheck. In the event leave is not available to cover an absence, the employee will enter into a contract payoff status and will cease receiving regular payroll checks until the employee returns to work. Employees' salary may be reduced for the remainder of the school year. If all available leave has been exhausted, the employee will be placed on COBRA for continuation of insurance premiums. Leave claimed that has not been earned will be deducted from pay at a daily rate and will not be refunded.

### **Reporting Leave**

Exempt employees, whose position does not require a substitute, report their absences using the Absence from Duty Form located on the CISD website. The employee's supervisor will then review and approves the requested absence.

Employees whose positions have been authorized to have a substitute are required to call the campus administration to request a substitute.



### **Full-Day and Half-Day Posting**

Employee leave is granted on the basis of full-day or half-day. Leave cannot be taken in hourly increments. (Part-time positions receive leave that is commensurate with their work schedule. For instance, half-time employees are charged one leave day for missing one work day.)

Leave charged at full day and half-day increments are applied as presented in the following tables.

Full day leave is as follows:

<b>Elementary School</b>	<b>7:30 am - 3:30 pm</b>
<b>Junior High School</b>	<b>7:30 am – 3:30 pm</b>
<b>High School</b>	<b>7:30 am - 3:30 pm</b>
<b>Custodial/Maintenance</b>	<b>Varies by schedule</b>

Cut-off time for half-day leave is as follows:

<b>Elementary School</b>	<b>11:30 am</b>
<b>Junior High School</b>	<b>11:30 am</b>
<b>High School</b>	<b>11:30 am</b>

### **Leave Types Defined**

Leave is advanced in July of each year. Employees who do not work the full assignment for the school year, leave days advanced will be prorated to reflect the actual number of days earned based on the number of days worked for the school year. (See Leave Proration)

**Sick Leave (Local)** – Local sick leave may be used for illness of the employee; illness of a member of the employee’s immediate family; or death in the employee’s immediate family. Refer to Board Policy DEC (Local) for a definition of the term “immediate family”

**Sick Leave (State)** – State sick leave may be used for illness of employee; illness of a member of employee’s immediate family; or death in the employee’s immediate family. Employees whom have a state sick leave balance are required to specify on the Absent From Duty Form if the wish to use this state sick leave balance prior to using local sick leave. Not all employees have state sick leave, Education Code was updated beginning with the 1996 school year and if employees were employed by a District their service record would reflect such leave.

**Personal Leave (State)** – State personal leave may be taken at the employee’s discretion in accordance with the guidelines outlined in DEC (Regulation).

**Extended Leave** – Extended leave is a pool of leave days for use by qualifying District employees that provides additional paid leave days to employees absent due to a Family and Medical Leave Act (FMLA) qualifying event. Refer to DEC (Regulation) for eligibility rules and available days.

**Local Leave-**

Local sick leave will be deducted based on substitute pay when required. Unused local leave balance does not carry over between school years. State personal leave and state equivalent sick leave balances earned at other Texas school districts will be carried forward to CISD. Transfer of unused leave is based on an employee's service record.

**Recording of Leave and Order of Usage**

Leave is posted based on Absent From Duty Forms provided. **Leave will not be changed at a later date if incorrect information was submitted.** Therefore, it is imperative that the reason given for the absence is accurate and employees are aware of the order of usage as outlined. The initial submission of the leave type determines how leave is applied based on the balance in leave banks. Monthly paid employees' leave posting are posted one month in arrears.

If an employee takes leave in excess of the amount earned, the employee's pay will be deducted for the time missed based on their per day rate.

Employees *may not choose* to be docked in lieu of taking leave. Conversely, supervisors *may not elect* to discipline employees by requiring them to be docked in lieu of taking leave.

**Leave Upon Separation**

Sick leave (Local): Employees who resign from the district surrender all accumulated local sick leave, even if later rehired by the district, unless they meet the qualifications described in the Leave Pay Options below.

Sick Leave (State): Employees who resign from the district state sick leave balances will transfer to the employee service record.

Personal Leave (State): Employees who resign from the district personal, leave balances will transfer to the employee service record.

{Note: Employee's service records must be requested from HR department}

## **Employee Benefits**

The following is provided as a summary only of the District's benefit plans. For more specific information, employees are required to visit the benefits website.

**Benefits Eligibility**

Active Employees are eligible to enroll for district benefit plans from the first day that he or she is a full-time employee of the district. An employee is considered full-time if he or she normally works at least 35 hours per week.

**Benefits Enrollment**

Employees who are benefits eligible are required to attend a benefits presentation. Employees' enrollment forms must be presented to the payroll/benefits office within 30 calendar days of the date of hire or qualifying event.

\*Calendar Days are defined as all days, including weekends and holidays, on a standard calendar. If the 30th day of the calendar falls on a day the district is closed, the next calendar day the district is open will be considered the 30th day.

### **Open Enrollment**

The District offers an annual open enrollment election; all employees are required to attend or make online elections during this annual open enrollment. Failure to make elections during open enrollment results in loss of benefits.

### **Statement Regarding Pre-tax**

Employee Health, Dental, Vision, Health Care Account, Dependent Care Account are paid on a pre-tax basis under a Flexible Benefit Plan under Internal Revenue Code Sections 79,105, 106, 125, and 129 as amended from time to time.

### **New Hire Benefit Effective Date**

Employees who have enrolled in the district benefit plans, coverage is effective the first day of the monthly following new hire date.

### **Benefit End Date**

If you are working to the end of your calendar:

- 10-Month employee's final check is August; Insurance ends August 31st
- 11-Month employee's final check is July; Insurance ends July 31st
- 12-Month employee's final check is June; Insurance ends June 30th

If you resign before the end of your employee service calendar, your final check will be the month following your resignation date. Insurance benefits will end the last day of the month in which you resign. (Example: resign April 30, benefits will end on April 30 and your final check will be May).

### **Changes to Benefit Elections**

Employees may only make changes to their benefit elections during a qualifying event. Changes due to a qualifying event must be made within 30 calendar days of the qualifying event date. Detailed information regarding the enrollment requirements must be reviewed with HR to ensure you meet the guidelines as enrollment under a qualifying event is restricted.

## **PROCESSING OF IRS W-4 FORMS**

CISD is not required to verify the accuracy of the information on an employee's W-4; however, the Payroll Office cannot knowingly accept an invalid form. A form is invalid if it is altered (e.g., sections are crossed out or information other than the requested entries has been added) or if the employee indicates that it contains false information.

If forms are received illegible or incomplete, withholdings will be made as if the employee is single and claimed zero allowances.

Employees wishing to amend their withholding status can do so by completing a new W4. Be aware that the IRS has the authority to assess penalties to employees who claim more allowances than they are entitled.

### **Form W-2 Wage and Tax Statement**

CISD produces employee W-2 Wage and Tax Statements for a calendar year. In January, statements are prepared and provided to employees for the prior year.

#### **Some important items to note regarding your W2 Statements:**

- Box 1: Federal Wages= Total wages paid less pre tax insurance deductions, annuity pre tax deductions
- Box 5: Medicare Wages = Total wages paid less pre tax insurance deductions
- Pre tax insurance deductions Box 14 CAF125: medical, dental, vision, medical flex spending, dependent care flex spending deductions from your pay check
- Annuity pre tax deductions Box 12: 403(b) 457(b) deductions from your pay check
- Total wages are wages paid from January - December of each year. (*not school year*)
- Box 14: CAF125 = total amount of pre tax insurance deductions for the tax year
- Box 14: TRS = total retirement deductions for Texas Teacher Retirement System