



BOROUGH OF TARENTUM

318 E. SECOND
AVENUE TARENTUM,
PENNSYLVANIA 15084

Borough Policy: Payroll Policy

Purpose:

To establish clear, consistent, and efficient procedures for processing payroll, ensuring compliance with applicable laws and regulations, and providing accurate and timely payment to employees.

Scope

This policy applies to all employees of the Borough of Tarentum, including full-time, part-time, seasonal, and contracted employees.

Policy Statement

The Borough is committed to maintaining accurate payroll records, processing payments on time, and complying with applicable labor laws and tax regulations. Payroll procedures will be managed in accordance with established guidelines to ensure transparency and accountability.

Definitions

- Payroll: The process of calculating and distributing employee wages, salaries, benefits, and deductions.
- Pay Period: The recurring time frame during which employees work and are compensated.
- Gross Pay: The total earnings before deductions.
- Net Pay: The earnings after deductions, taxes, and benefits.

Procedures

1. Payroll Schedule

1.1 Pay Periods:

- Employees are paid bi-weekly.
- The pay period begins on Sunday and ends on Saturday.

1.2 Payment Date:

- Paychecks or direct deposits are issued on the following Friday after the pay period ends.

1.3 Special Payments:

- DROP (Deferred Retirement Option Plan) payments are issued monthly at the beginning of the month.
- Longevity, uniform allowances, and opt-out payments are made as per union agreements or employment contracts.

2. Timekeeping

2.1 Accurate Reporting:

- Employees must accurately record their hours worked using the Borough's designated timekeeping system.

2.2 Submission Deadlines:

- Timecards or electronic records must be submitted by Monday of payroll weeks to allow for payroll processing.

2.3 Approval:

- Supervisors must review and approve employee timecards before submission to payroll.

3. Payroll Processing

3.1 Calculation:

- Payroll is calculated using the Borough's financial software (Tyler ERP Pro 10) and includes gross wages, deductions, and benefits.

3.2 Deductions:

- Mandatory deductions include federal, state, and local taxes, Social Security, Medicare, and wage garnishments (if applicable).
- Voluntary deductions may include health insurance premiums, retirement contributions, HSA contributions, and union dues.

3.3 Recordkeeping:

- Payroll records are retained in compliance with state and federal regulations for a minimum of seven (7) years.

4. Benefits and Additional Payments

4.1 Health Savings Account (HSA):

- Funded annually at the beginning of the year.
- Optional employee contributions are deducted monthly.

4.2 Opt-Out Payments:

- Employees opting out of healthcare coverage receive payments per employment agreements.

4.3 Uniform Allowances:

- Public Works employees receive an annual payment.
- Police employees receive semi-annual payments.

4.4 Longevity Payments:

- Paid annually in December as per employment contract with Police Union.

5. Direct Deposit and Paychecks

5.1 Direct Deposit:

- Direct deposit is the preferred method of payment for all employees.

5.2 Paycheck Distribution:

- Paychecks for employees without direct deposit are distributed at their designated work location.

5.3 Lost Checks:

- Employees must report lost or stolen checks immediately. Replacement checks will be issued within five (5) business days.

6. Compliance

6.1 Tax Reporting and Filing:

- The Borough complies with all federal, state, and local tax laws, including timely filing of payroll taxes and issuance of W-2 forms by January 31 each year.

6.2 Audits:

- Payroll processes are subject to regular internal and external audits.

Roles and Responsibilities

- Payroll Department: Ensures timely and accurate payroll processing, compliance with tax regulations, and record retention.
- Supervisors/Department Heads: Approve timecards and ensure accurate reporting of employee hours.
- Employees: Submit accurate timekeeping records and report any discrepancies.

Policy Compliance

Non-compliance with this policy may result in disciplinary action, up to and including termination. Fraudulent timekeeping or payroll activity will be reported to the appropriate authorities.

Appendices

- Appendix A: Timekeeping System Instructions
- Appendix B: Payroll Calendar
- Appendix C: Example Pay Stub

Approval:

EFFECTIVE: Immediately

APPROVAL: _____

DATE: 12/10/2024
LAST REVISED:

Dwight Boddorf, Borough Manager

COUNCIL APPROVAL DATE: 12/10/2024

APPROVAL: _____
Scott Dadowski, Council President