

Policy Title: Payroll and Payroll Deduction

Impact: Employees

Responsibility: Human Resources

Effective Date: 12/16/15

Last Update:

Relates to Procedure:

Legal Citation(s):

I. Policy Narrative

All new employees will complete the required payroll paperwork on or before their first day of employment. This will include, at minimum, an employee withholding allowance certificate (Form W-4), employment eligibility verification form (Form I-9), retirement withholding form (as applicable), and any medical, dental, and life insurance withholding forms (as applicable).

Employees who have previously worked for the college but who have separated from the college or been inactivated in the payroll system for any period of time, must complete at least a new employee withholding allowance certificate (Form W-4). Additional paperwork may be required, depending on the length of time the re-hired employee was inactive. Any re-hired employee who has been in-active for more than one year, is considered a new-employee. Hiring managers must complete and submit the proper hire authorization forms to human resources before an employee's start date.

II. Paychecks

- A. North Idaho College processes payroll as indicated on the payroll schedule published prior to the start of each fiscal year.
- B. The college requires that all employees receiving payroll related payments utilize direct deposit.
 - i. All new employees hired to a position on or after January 1, 2016, shall be required to participate in direct deposit. These requirements must be met within 30 days of the hire date and are as follows: 1) identify an eligible financial institution that will serve as a personal depository for the employee or 2) be granted an exemption by the Vice President for Finance and Business Affairs for reasons stated below.
 - ii. All employees employed prior to January 1, 2016, and paid by the college, who are receiving his/her pay by direct deposit shall continue to participate in direct deposit.
 - iii. All employees employed prior to January 1, 2016, and paid by the college who are receiving his/her pay by paper check, shall be required to participate

in direct deposit. These requirements must be met by January 15, 2016 and are as follows: 1) identify an eligible financial institution that will serve as a personal depository for the employee or 2) be granted an exemption by the Vice President for Finance and Business Affairs for reasons stated below.

- C. An employee may be exempted from participating in direct deposit if he/she does not have an account at an eligible financial institution, and further provides evidence that he/she cannot obtain an account at an eligible institution.
- D. For those employees who are granted an exemption, the Vice President of Finance and Business Affairs may secure other payment methods as options, other than paper check, when such options may become available.

III. Wage and Tax Statements (W-2)

- A. Wage and Tax Statements (W-2) will be distributed to all employees on or before the 31st of January each year. Employees have the option to receive W-2s electronically via the NIC portal. Employees who have opted in to receive W-2s electronically, will not receive W-2 statements distributed via US Postal Service.
- B. Employees are responsible to ensure their address information, as maintained by the Human Resources Department, is accurate. When leaving the employment of NIC, it is the employee's responsibility to confirm that their address is accurate to ensure that the W-2 is mailed to the proper location the following January.

IV. Federal and State Mandatory Deductions

In accordance with federal and state laws, the following will be withheld from the salaries and wages of NIC employees:

- Federal income tax
- Social security tax
- State income tax
- Retirement (as applicable)
- Any legally mandated payroll garnishments (as applicable)

V. Other Payroll Deductions

Upon appropriate authorization from the employee, NIC shall deduct from the salary or wages of the employee, those items which the Payroll Department is authorized to make. These deductions may include, but are not limited to the following:

- Medical, dental, and life insurance
- Short and long term disability insurance
- Flexible Spending Account contributions
- Retirement or tax sheltered annuities
- Charitable donations facilitated by the college (NIC Foundation, NIC Booster Club, United Way)