

# **CITY & COUNTY OF SAN FRANCISCO**

## ***Payroll Policies & Procedures Manual***

**Revised April 2018**



CITY AND COUNTY OF SAN FRANCISCO  
PAYROLL POLICIES & PROCEDURES MANUAL



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## DEPARTMENT CERTIFICATION PAGE

This page is to be printed and signed by all new Department Payroll/Personnel Staff and returned to the Controller's Payroll Division via inter-office mail to One South Van Ness Avenue, 8<sup>th</sup> Floor.

*By signing below, I acknowledge that I have received and reviewed the City and County of San Francisco Payroll Policies & Procedures Manual in its entirety.*

*The Manual describes important information about City and County payroll procedures, and I understand that my department is responsible for instituting internal policies and practices that are sufficient to ensure appropriate supervision and controls over payroll operations that have been delegated to my department.*

*I understand that it is the responsibility of my department to institute all necessary and proper internal controls to comply with the guidelines described in Section 2 of the Manual.*

*I understand that City and County payroll policies and practices may be changed at any time. All such changes will be communicated by the Controller's Office through official notices, such as Bulletins or revisions to the Manual, and I understand that revised information may supersede, modify, or eliminate existing policies. It is my responsibility to ensure that my department remains up-to-date on these changes and to implement all steps necessary to comply.*

*I understand that it is my responsibility to ensure my department's compliance with the policies contained herein and any revisions made to it.*

---

Department Payroll/Personnel Staff or Manager's Signature

---

Name (Print )

---

Date

---

Department Name



## CITY AND COUNTY OF SAN FRANCISCO PAYROLL POLICIES & PROCEDURES MANUAL

# SECTION 1: OVERVIEW

## Introduction

A comprehensive payroll manual is critical in maintaining an efficient and effective central employment management system that supports payroll and time reporting business functions across all City and County of San Francisco departments and Superior Court.

Department payroll/personnel staff should use this document as a reference manual for guidelines, procedures, and related information. All of the material presented here is also available through the SF Employee Gateway under User Support Knowledge Center People & Pay.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, this Payroll Policies and Procedures Manual in its entirety.**

## Purpose of this Manual

The purpose of this document is to define the City-wide guidelines, policies and procedures governing payroll/personnel staff responsibilities that should be consistently implemented across all departments.

These policies and procedures will:

- Ensure relevance, accuracy and consistency of City-wide payroll procedures among department payroll/personnel staff;
- Provide a baseline for departments to address prior payroll audit findings, including strengthening internal controls and mitigating risks;
- Facilitate more timely access to relevant payroll information and procedural changes for department payroll/personnel staff; **and**
- Enable department payroll/personnel staff to address employees' payroll concerns more efficiently.



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Where this document conflicts with previously issued guidelines, the instructions in this *Payroll Policies & Procedures Manual* supersede all manuals, policies, procedures, memoranda, and bulletins previously issued by the Controller's Payroll Division.

### Payroll Overview – Who Handles What?

The Controller's Payroll and Personnel Services Division disburses salaries and wages for approximately City 33,000 employees through biweekly payroll payments. To make this possible, the following City organizations and department payroll/personnel staff work together to execute payroll duties:

- **Payroll Division** processes payroll data for employees of city departments and ensures compliance with city, state, federal tax, wage and hour regulations. Time records for employees are processed by department staff or by employees who utilize the self-service feature. All time records are submitted to the Systems Division's People & Pay for processing.
- **Department Payroll Staff** are responsible for administering the department's payroll and ensuring that employees' time information is submitted accurately to the Payroll Division. To fulfill this responsibility, departments must ensure that proper internal controls on payroll processes are established and enforced.
- **The Systems Division** is a division within the Controller's Office that manages and operates **People & Pay**, an integrated system that provides human resources, benefits administration, and payroll services to the City's active, retired, and future workforce. There are currently 6,000 users (human resources staff, payroll professionals, and self-service users) using People & Pay to process their transactions.
- **Department of Human Resources (DHR)** administers City-wide personnel policies and procedures, negotiates and administers collective bargaining agreements with labor unions, and advises the City's other departments in these areas. DHR also issues memorandums that guide departments on human resource related topics that may impact payroll, such as compensation administration, furloughs, and pay reductions.
- **Civil Service Commission (CSC)** oversees the merit system for the City by establishing rules and policy related to the merit system; hearing appeals on examinations, eligibility lists, minimum qualifications, classification, discrimination complaints, and future employment; and interpreting rules and policies.



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- ***San Francisco Employees' Retirement System (SFERS)*** secures, protects, and invests pension trust assets, administers the mandated benefits programs, and provides promised benefits to active and retired members of the system.
- ***Health Service System (HSS)*** creates contracts based on negotiations with health providers, which offer eligible employees the opportunity to enroll themselves and eligible family members in medical, dental, vision, and flexible spending account benefits. HSS also works with the Payroll Division to issue W-2 tax forms to ensure that all taxes for benefits are administered properly, especially for domestic partnerships.



## SECTION 2: INTERNAL CONTROL GUIDELINES

### Purpose

Payroll internal controls help to establish an effective system that allows payroll processing and recordkeeping to flow smoothly. Internal control procedures ensure pay is properly disbursed to the appropriate employees, is accurately recorded, and that relevant legal requirements are met.

The United States General Accounting Office (GAO) has published standards that provide an overall framework for establishing and maintaining internal controls, which should provide reasonable assurance that objectives are being achieved in the following:

- Effectiveness and efficiency of operations, including the use of the City's resources;
- Reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use;
- Prevention of, or prompt detection of, unauthorized use of an agency's assets; **and**
- Compliance with applicable laws and regulations.

The GAO standards include these five key areas to consider:

- 1 **Control Environment** - Management and employees should establish and maintain an environment that sets a positive and supportive attitude toward internal control and conscientious management (e.g., appropriate training and ongoing supervision).
- 2 **Risk Assessment** - Internal control should provide for an assessment of the risks the agency faces from both external and internal sources.
- 3 **Control Activities** - Internal control activities (e.g., approvals, verifications, and documentation) should be effective and efficient in accomplishing an agency's control objectives.
- 4 **Information & Communication** - Information should be recorded and communicated to management and others within the department who need it, in a form and within a timeframe that enables them to carry out their internal controls and other responsibilities.
- 5 **Monitoring** - Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved.



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### Separation of Duties

An effective system of internal controls incorporates separation of duties of payroll functions and other areas that deal with sensitive or valuable data. A properly organized payroll process will not present opportunities for erroneous or fraudulent pay transactions. Examples of payroll errors include overstating regular or overtime hours worked, continuing employees on the payroll after termination, or issuing pay to a non-employee.

Departments shall ensure that the payroll processes described in this manual are adequately segregated (i.e., responsibilities for each of these functions are designated to different employees where possible):

- Authorization of payroll additions, deletions and changes;
- Production of the primary records that attest to employee time worked;
- Preparation of timekeeping data and its input into People & Pay;
- Production of timesheets and *Problem Description Forms* (PDFs);
- Validation of the payroll; and
- Distribution of pay cards and payroll advices and signing *Warrant Releases*.

### ***Procedures for Separation of Duties***

Authorization for—and separation of—all payroll duties must be appropriately documented, as follows:

- All department heads must submit and have on file at the Payroll Division a *Department Head Signature Authorization Card* to certify all payroll-related documents. Fill out this card when a new department head begins his or her employment in the new position.
- Assignment of duties must be documented through the *Employee Signature Authorization Card*. Use the *Employee Signature Authorization Card* to authorize different personnel to perform payroll-related duties listed above. Fill out a card for each new staff member your department is authoring to:
  - Sign the “Appointing Officer / Authorized Signature” line of the *Problem Description Form*;
  - Receive email bulletins and notifications; and
  - Retrieve pay cards and pay advices.



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The Payroll Division recommends that two people be authorized for each duty. The person who is authorized to sign the timesheet or process time records cannot be the same person who picks up pay cards.

- Forward all *Authorization Cards* to the Payroll Division on a timely basis.

### Control Guidelines

The following guidelines are based on the GAO's standards and define the minimum level of quality expected for a department's internal controls. In implementing these guidelines, departments are responsible for developing the detailed policies, procedures, and practices to fit their agency's operations. Department procedures shall also provide for systematic reviews to ensure that adequate controls for payroll operations have been established and are being implemented.

#### 1. Approvals and Authorization

- Payroll staff should be knowledgeable of the People & Pay system and the policies and procedures of the Payroll Division.
- The terms and conditions of collective bargaining agreements should be clearly communicated to those responsible for payroll processing. Payroll staff need to be familiar with the conditions of the unions to which their employees belong and keep informed of all changes.
- Payroll authorizations (e.g., new hires, timesheet approval, *Problem Description Forms*, terminations, and pay rate changes) should be segregated from the preparation and processing of payroll records and payments. For example, an employee authorized to approve payroll documents should not also have responsibility for reviewing payroll distribution reports or for distributing pay cards. No employees should approve documents that affect their own pay (formal approval at a higher administrative level is required).
- Payroll authorizations must be properly documented. No payroll-related changes are to be entered into People & Pay without records authorizing the change. Authorizing documentation must be retained in the employee's records so that payroll change transactions can be later reconciled or audited.
- Access to payroll/personnel data files containing sensitive or confidential information (e.g., Social Security numbers, deductions) should be restricted to the fewest number of offices and employees possible.



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### **2. Time and Attendance Reporting**

- Department management should assign time entry responsibilities to “timekeepers” for payroll data collection, timesheet signatures, and appropriate documentation of all time reporting. A backup timekeeper should also be appointed and trained.
- Completed timesheets and approvals should be reviewed and certified by the person having direct supervision over employees to indicate that services were actually performed by the persons listed and that days/hours worked are accurate and justified. Only after time has been reviewed and approved by such supervisory personnel should times be transmitted to department payroll/personnel staff.
- Leave request documentation should be used to document advance requests to use accrued leave and to document absences covered by the use of such leave.

### **3. Payroll Adjustments/Changes**

- All changes in employment status (e.g., new hires, terminations, etc.), wage rates and salary is to be properly authorized, approved, and documented.
- Payroll changes are to be processed and entered by department payroll/personnel staff who do not review the payroll register and checks, if possible.
- Access to payroll change forms submitted by employees should be restricted by keeping them in a locked drawer or cabinet.
- Prior authorization is to be required for all non-emergency overtime hours, and should be granted only for specific, verifiable purposes consistent with any collective bargaining agreements. In emergency situations, supervisors should verbally pre-approve overtime and follow-up with a review of records to determine the appropriateness of overtime hours incurred.
- Department payroll/personnel staff should establish written criteria governing making changes to time reporting codes of any previously processed payroll data, subject to approval by the Payroll Division.
- Management should periodically review payroll change reports to ensure that any payroll changes are being properly authorized and input correctly into People & Pay.





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### **4. Pay Card Procedures**

- Pay cards are to be distributed by a designated employee who is not otherwise connected with any of the steps of payroll preparation (e.g., time and attendance reporting) to ensure proper segregation of duties.
- Any undistributed pay cards should be returned directly to an authorized officer for safekeeping. They should not be returned to any person that processes payroll records or who performs the payroll reconciliation.

### **5. Reconciliation Procedures and Reports**

- Without regular, systematic reconciliation activities and report cross-checks, undetected payroll errors can result in over- or underpayments. Departments must have clear, written procedures for reviewing payroll records and reports. Departments should also maintain a log of their reconciliation and report review activities to help ensure this important step is performed.
- Departments should review the validity of payments charged or credited to their accounts by performing a monthly reconciliation of total salaries paid to total salaries approved, pursuant to department payroll/personnel records.
- Monthly payroll reconciliations are to be reviewed and signed by a supervisor and recorded appropriately.
- Reconciliations are to be performed by an employee who does not have modification rights to the payroll system or processes payroll.

## **Performance Evaluation**

To ensure that departments have established adequate internal controls, the Payroll Division will compile transaction data on the number and frequency of errors, correction requests, and other department transaction requests that may be a result from failure to adhere to payroll policies and procedures on the Quality Control Scorecard. If departments are experiencing a high level of payroll errors and inaccuracies, the Payroll Division will seek to provide additional and/or remedial training to department payroll/personnel staff. If, following training and additional guidance, department payroll/personnel staff continue to submit payroll data and transactions with unusually high levels of error, the Controller's Office will escalate concerns to the applicable Department Head, conduct site visits to the department to oversee payroll activities, schedule technical assistance, and, if necessary, possibly propose additional audits.



## SECTION 3: PERSONNEL DATA ENTRY PROCEDURES

### Purpose

This section describes, at a high level, the type of personnel data entry that department payroll/personnel staff must correctly perform in order for employee time and pay to be correctly recorded. The step-by-step data entry procedures are provided by the People & Pay User Productivity Kit (UPK) online training materials. To access the UPK, please go to the **User Support** tab of the SF Employee Portal, then click the link for **UPK for City Departments**.

Personnel transactions described in this section include:

- New hires;
- Update employee data;
- Transfers or changes of departments;
- Rate changes; and
- Separations due to resignation, termination, layoff, or death.

### Policy

It is the policy for all department payroll/personnel staff to timely and correctly enter employee data into People & Pay, pursuant to all internal control guidelines described in Section 2 of this *Manual*. Upon notification of an employee appointment, promotion, reappointment, reinstatement, transfer, or separation, department payroll/personnel staff will use appropriate data entry procedures as provided in the UPK to complete the necessary procedure.

### 3.1 New Hires

Departments initiate and complete the new hire process in coordination with the City and County of San Francisco's (CCSF) Department of Human Resources (DHR). Please refer to DHR's recruitment and new hiring guidelines for detailed information on the requirements associated with this process.



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### 3.1.1 Processing New Hires in People & Pay

**Overview.** Departments can use People & Pay to organize job applicants for vacant positions and then move the selected candidate into the People & Pay payroll system. Step-by-step processes are provided in the People & Pay UPK library under the title **Managing New Hires and Rehires (Depts)** to:

1. Hire a new employee with no existing People & Pay employee record number;
2. Hire an employee under a new employee record number; or
3. Re-hire an employee into a terminated employee record number.

**Procedure.** If a department is using People & Pay's JobAps module to track job applicants for a vacant position, they complete the hiring process by completing the following steps:

1. Enter the individual's personal and job information on the People & Pay Hire template. Please refer to the People & Pay Action/Action Reasons below for the appropriate code to use to complete this step.
2. Submit the Electronic Service Request for appointment processing, and DHR *Appointment Processing Form*, to DHR. DHR reviews the *Appointment Processing Form* and validates information entered in the People & Pay Hire template, and adds the hire's Person Data and Job Data in People & Pay through Manage Hires.
3. Submit required payroll-related records to the Payroll Division.

**People & Pay Action/Action Reasons.** The following lists the Action/Action Reason combinations related to the new hire process:

- HIR/NEW - *Hire/New Hire* is used to create a new employee record number for an employee.
- HIR/REC - *Hire/Hire Recall* is used to hire an employee on a separate employee record number when the employee has a current holdover record.
- HIR/REX - *Hire/New-Exempt Retiree* is used to create a new employee record number for the re-hiring of a City Retiree (coded as a "C2" retiree in People & Pay) whose retirement record exists on the employee's original job record.
- REH/REH - *Rehire/Rehire* is used to re-hire a non-retired employee into a terminated job record.



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- REH/REX - *Rehire/C2 Retiree Rehire* is used to re-hire an employee as a C2 Retiree in the same job record containing the retirement termination.
- REH/RSR - *Rehire/Rehire with Status Rights* is used to re-hire an employee who returns to CCSF employment within six (6) months as of the employee's termination date, or to re-hire an employee who regains status rights as a result of a settlement agreement.

New hire and re-hire transactions for classified employees entered through People & Pay template-based Hire and Manage Hires represent the normal new hire process. There are, however, other hire and re-hire transactions that are entered in People & Pay through other methods as follows:

- The hire and re-hire of Community College District (CCD) and Unified School District (USD) non-classified employees who are entered into the CCD and USD HR databases and interfaced into People & Pay Person Data and Job Data components
- The hire and re-hire of Court employees entered by the Courts through People & Pay's Add a Person and Add Employment Instance functionality

**New Hire Person Matching in People & Pay.** People & Pay identifies instances when the employee entered in the hire template matches an existing employee based on Name, Employee ID, and/or Social Security number. If People & Pay identifies a person match during the completion of a new hire template, the hiring department does not proceed with the new hire transaction. Instead, the hiring department is responsible for contacting DHR to discuss the person match to determine whether the data entry is appropriate as a new hire transaction. The following are exceptions when data entry is acceptable as a new hire transaction in another employee record number:

- The new appointment is the employee's secondary or additional job; multiple jobs are maintained in separate employee record numbers.
- The new appointment involves movement between units of civil services known as:
  - City and County of San Francisco (CSF)
  - Community College District (CCD)
  - Unified School District (USD)
  - San Francisco Superior Court (CRT)



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- The employee moves from a non-classified to a classified position and vice versa within the same company; classified and non-classified jobs are maintained in separate employee record numbers.
- The employee is on a holdover list, and the new appointment is not a return to the same job code from which the employee was laid off.

If the situation does not justify creating a new hire record based on the criteria listed above, departments shall not process the new hire template. Refer to the UPK outline for information on appointment changes.

**New Hire Queries and Reports.** The following queries and reports are available to department personnel offices to review and monitor their new hire transactions:

- MRG\_HR0184\_JOBDATA\_AUDIT: List of all Effective Dated Action/Reason rows entered for a department within a date range.
- MRG\_HR0158\_TBH\_JOBAPS\_ERROR: Displays JobsAp/the Systems Division People & Pay Interface Hire Error(s). Run when expected hire is loaded into People & Pay.
- MRG\_HR\_TBH\_BY\_HIRE\_DT: Produces a list of people and their Template Hire Status sorted by HIRE DATE.
- MRG\_HR\_TBH\_BY\_HIRE\_STATUS: Produces a list of people and their Template Hire Status sorted by HIRE STATUS.
- MRG\_HR\_TBH\_BY\_DEPT\_DIV: Produces a list of people and their Template Hire Status sorted by Department / Division.

### **3.1.2 Appointment Above Entrance**

**Overview.** Generally, appointments to CCSF positions are at the entrance rate; however, departments with proper approval can process a new hire above the entrance rate as stipulated in the relevant employee organization memorandum of understanding (MOU). The following are the general conditions that are common to most of the MOUs:

1. A former permanent City employee, following resignation with satisfactory service, is being reappointed to a permanent position in his/her former classification, including retired employee hired as a Proposition F employee. The copy of the individual's separation report is required in order to establish former City employment.
2. Loss of compensation would result if appointee accepts position at the entrance step. To support this claim, the department should submit one of the following:



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- the prospective new hire's two most current pay stubs to verify the current rate of regularly earned salary;
  - a letter from current employer that indicates the current earnings;
  - competitive offer of employment within the last thirty (30) days;
  - the *W-2, Wage and Tax Statement* for the most recent tax year; or, if the prospective new hire worked as an independent contractor or was self-employed, the most recent *Form 1099-Misc.*
3. A severe, easily demonstrated and documented recruiting and retention problem exists, such that all City appointments in the particular class should be above the normal step. The following documentation is required in order to establish the existence of a recruitment and retention problem:
- The recruitment strategy employed;
  - How many applicants responded;
  - How many qualified responses were received;
  - How many candidates were interviewed;
  - How many offers were made;
  - Length of current vacancy;
  - Any specific difficulties in recruiting for the position; and
  - The job market for the particular position.
4. The appointee possesses special experience, qualifications and/or skills which, in the Appointing Officer's opinion, warrant appointment above the entrance rate. The following records are required in order to establish special skills:
- Documentation from the appointing officer substantiating the individual's unique skills, qualifications, and education which justify an appointment above entrance; and
  - A copy of the individual's résumé and/or employment application.

**Procedure.** Refer to the applicable MOU governing the employee's classification in order to process an appointment above entrance. The following forms, as well as supporting records



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specified in the MOU and identified above in items 1 through 4, must be submitted if the employee's appointment above entrance is processed late:

1. *Problem Description Form (PDF)*:

- In Part 1, check OTHER and write "appointment above entrance"
- In Part 2, write the justification for this appointment above entrance request (general conditions that are most common for this request are listed in points 1 through 4, above)
- In Part 3, specify the salary rate being requested for this new hire

2. *DHR Classification & Compensation Manual* and/or MOU relevant to the employee

3. *Multiple Pay Period Adjustment Worksheet*, if the employee was paid at the entrance rate for three (3) or more pay periods

4. *People & Pay Payroll Register* for the employee, or a screen shot, if the employee was paid at the entrance rate.

Department of Human Resources (DHR) has delegated approval authority to departments for appointments above entrance, except for the City's Management Classification and Compensation Plan (MCCP) Range B and Range C appointments. DHR's Classification and Compensation Unit has provided departments with guidance on the administration for this premium (refer to <http://sfdhr.org/classification-and-compensation>). Departments must maintain records for appointment above entrance pay as DHR and the Budget Analyst's Office will periodically audit them.

## 3.2 Tax-Related Processing for New Hires

### 3.2.1 *W-4 and DE 4 for New Hires*

**Overview.** To ensure that the City and County of San Francisco (CCSF) withholds the correct federal and state income tax from employees' earnings, new and re-hired employees must complete **both** an IRS Form *W-4* and a State Form *DE 4*. Both forms are necessary since federal tax brackets and withholding methods do not reflect the state's withholding tables. If employees do not submit a *DE 4*, the employee will be taxed as single with no withholding allowances, and may not receive a refund for any excess taxes withheld.

Both *W-4s* and *DE 4s* must be completed, reviewed, and submitted to the Payroll Division by department payroll/personnel staff as the Payroll Division cannot accept forms directly from



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employees. Incomplete or altered forms will be returned to department payroll/personnel staff for correction. It is important to note that the employee name used on the tax forms **must be** exactly the same name that is on the employee's Social Security card.

**Procedure.** Below are the steps to follow to process tax-related transactions for newly hired or re-hired employees:

- Federal Tax Withholding Form *W-4*
- State Tax Withholding Form *DE 4*
- Non-Resident Alien Form *W-4* (if applicable)

When an employee is hired, re-hired, or transfers, People & Pay automatically sets up employee tax data based on the Tax Location Code field (California for all employees) on the employee's Job Data record. People & Pay's automated Employee Tax Data process defaults to the following entries:

- A marital status of 'Single'
- A withholding allowance of '0'

As the first step, department payroll/personnel staff need to verify the employee's Social Security number.

1. Ask the new hire to provide his or her Social Security card and make a photocopy. If the employee does not have his or her Social Security card, explain that you cannot process either tax form without verifying the name on the Social Security card, and ask the new hire to return with the card as soon as possible to complete the process.
2. Ask the employee if the name on the Social Security card is correct. Explain that the name on the tax form must match the name on the Social Security card. If the names do not match exactly, the employee must change his or her name with the Social Security Administration and obtain a new card before filling out the tax form.
3. Retain a photocopy of the Social Security card in the employee's personnel folder.

When the completed IRS Form *W-4* is received from a new hire:

1. Verify that the name and Social Security number on the form match exactly those on the Social Security card. If there is an error in the name or number, or if the number is not legible, have the new hire complete a new form.





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2. Verify that the name and home address in the *W-4*'s Box 1 have been filled in completely and that they match the data entered in People & Pay.
3. Verify that the rest of the information on the *W-4* form is filled out correctly.
4. Write your department's three character department ID in Box 9.
5. Verify that the form has been signed and dated.
6. Forward the original *W-4* to the Payroll Division for processing and make a copy for the employee's file.

When the completed State Form *DE 4* is received from a new hire:

1. Verify that the name and Social Security number on the form match exactly those on the Social Security card. If there is an error in the name or number, or if the number is not legible, have the new hire complete a new form.
2. Verify that the full name and home address have been filled in completely and that they match the data entered in People & Pay.
3. Verify that the rest of the information on the form is filled in correctly.
4. Verify that a Filing Status Withholding Allowances box is checked.
5. Verify that Line 1 is filled in (Line 2 is not required).
6. Verify that the form has been signed and dated.
7. Forward the original *DE 4* to the Payroll Division for processing and make a copy for the employee's file.

The Payroll Division updates the withholding allowances whenever new or updated, complete, and accurate *W-4* and *DE 4* forms are received for an employee. Employees are responsible for submitting the appropriate forms to their department payroll when hired, re-hired, or they request to change their withholding. Department payroll/personnel staff are responsible for returning incomplete and/or altered forms to the employee, and forwarding only accurately completed forms to the Payroll Division. The Payroll Division's Tax Unit will update the tax information in People & Pay when:

- The Payroll Division receives Form *W-4* for federal tax withholding and Form *DE 4* for California state tax withholding with new hire documents or from an existing employee requesting changes to tax withholding.



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- The Payroll Division receives an IRS *Lock In Letter* or FTB *Letter of Determination* with instructions on how to withhold taxes for an employee. This letter will provide the payroll office with directions from the federal or state taxing agency on how to specify the employee's withholding allowance.

Departments can check on the status of the new employee's tax-related processing in People & Pay by running the *Employee Tax Information Report* (TAX019). By federal law, the Payroll Division has 30 days to process the *W-4*.

Department payroll/personnel staff are not to engage in conversations with employees regarding what the employee should withhold. We do not give out tax advice. For additional information, staff can refer the employee to IRS Publication 505, *Tax Withholding and Estimated Tax*. It provides an explanation on withholding rules for salaries and wages, supplemental wages, taxable fringe benefits and information regarding exempt status. Employees can also access the *IRS Withholding Calculator* at <https://www.irs.gov/individuals/irs-withholding-calculator> for assistance.

### **3.2.2 Processing New Hires who are Nonresident Aliens**

U.S. Internal Revenue Service (IRS) Publication 515 states:

A nonresident alien temporarily in the United States on an "F-1," "J-1," "M-1," or "Q-1" visa is not subject to Social Security and Medicare taxes on pay for services performed to carry out the purpose for which the alien was admitted to the United States. Social Security and Medicare taxes should not be withheld or paid on this amount

In general, federal income taxes are to be withheld on the wages of nonresident alien employees (see IRS *Publication 15* for exceptions). Employers are required to add an additional amount to the wages paid the employee solely for the purpose of calculating income tax withholding. The additional wage amounts will not be included in the employee's Form *W-2*. See IRS *Publication 15* for the additional amount that is added biweekly.

**Procedure.** To process a new hire who is a nonresident alien (NRA) follow the steps below to ensure proper taxation of wages paid to the employee.

When a department hires a NRA, the department needs to determine whether the employee meets the criteria to be exempted from Social Security and Medicare (OASDI/HI) taxes and then do the following:

1. Make a copy of the employee's Visa (F-1, J-1, M-1, or Q-1).



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2. Verify that the name and Social Security number on the form match exactly those on the Social Security card. If there is an error in the name or number, or if the number is not legible, have the new hire complete a new form.
3. Verify that the name and home address in the *W-4*'s Box 1 have been filled in completely and that they match the data entered in People & Pay.
4. Verify that the rest of the information on the *W-4* form is filled out correctly.
5. Write your department's three-character department ID in Box 9.
6. Verify that the form has been signed and dated.
7. Forward the original *W-4* to the Payroll Division for processing and make a copy for the employee's file.
8. Departments should notify the Payroll Division's Tax Unit of any changes in the employee's employment duration and separation dates as soon as possible. This will enable the Payroll Division to process changes to the employee's record to ensure correct taxes are withheld and to generate an accurate *W-2*.
9. Departments should explain to the NRA employee the reason for the adjustment and how it will reflect on their paystub and *W-2*.

IRS *Publications 15, 515, and 519* provide department payroll/personnel staff with detailed information about employment and withholding taxes and exceptions on NRA earnings. They are available at: <http://www.irs.gov/formspubs>.

### **3.2.3 CalPERS Retirement Enrollment**

**Overview.** Certain CCSF departments have employees who are eligible for California Public Employees' Retirement System (CalPERS) membership. These employees are eligible to contribute pre-tax dollars to their retirement. The departments that most commonly have CalPERS-covered employees include District Attorney, Sheriff, Adult Probation, and Juvenile Court. For any questions, please contact the Tax Unit at 415-701-3400 if:

- A new CalPERS-eligible full-time employee was hired before December 2011.
- A temporary / part-time employee in CalPERS-eligible classifications works more than 1,000 hours in a fiscal year and thereby meets CalPERS membership eligibility criteria.
- Your department has no CalPERS-covered employees and a CalPERS-covered employee transfers to your department.



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- Your department re-hires a CalPERS retiree.
- An employee in your department changes from CalPERS to the City Retirement Plan (SFERS).

### 3.3 Employee Data Update

After an employee is hired, department personnel and/or payroll staff will need to maintain and update the employee's personal and job data in People & Pay. The following sections describe, at a summary level, how to process these modifications. The step-by-step data entry procedures are provided by the People & Pay User Productivity Kit (UPK) online training materials. To access the UPK, please go to the **User Support** tab of the SF Employee Portal, then click the link for **UPK for City Departments**.

#### 3.3.1 Update Employee Biographical Data

**Overview.** Departments are responsible, unless the employee has access, for updating the employee's Biographical Data record in the People & Pay system with any necessary changes to an employee's name, address, phone number, or other contact information. Departments updating the information must collect any required documentation before entering updates into People & Pay. Documentation can include copies of the employee's driver's license, passport, or Social Security card. An update to People & Pay Biographical Data is necessary when one of the following situations occur:

- Employee submits a *Change of Address Form* and provides additional notification to department payroll/personnel staff.
- Employee submits an *Employee Information Change Form* or *Post Employment Self Identification Form* to the department payroll/personnel staff.
- Retired employee or survivor submits an *Information Change Form* to SF Health Service System (HSS).

**Procedure.** Department payroll/personnel staff can enter employee personal/biographical updates in People & Pay dated with today's date or an earlier date. Departments should not enter future-dated updates, since the employee can always retract the change, which would require the department to contact the Systems Division Production Support to delete the update. See the "Update Biographical Data" UPK for instructions.

HSS handles any biographical data updates for retired employees and active survivors. HSS also contacts the appropriate benefits providers and/or vendors and informs them of all updates.



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### **3.3.2 Update Employee Legal Name**

When an employee has a legal name change, the employee must provide a copy of his or her new Social Security card or Social Security Administration application for a new Social Security card to the department payroll/personnel staff to verify the legal name change. Based on the name printed on the Social Security card or application, departments update the name using "Modify a Person." See the "Update Biographical Data" UPK for instructions. No name changes are permitted unless a new Social Security card is presented. The system must match the name on the Social Security card.

### **3.3.3 Changes to Employee Social Security Number**

Only the Payroll Division can update the National ID field (Social Security number) in People & Pay. The employee's Social Security number displays on the Modify a Person/Biographical Details page, which is limited to read-only for department payroll/personnel staff. When the employee's number is entered incorrectly and changes need to be made in People & Pay, departments must submit a copy of the Social Security card to the Payroll Division's Tax Unit.

Department payroll/personnel staff should scan the old and new Social Security cards and attach the scanned document to an email sent to the Payroll Division's Tax Unit. The Payroll Division will update the employee record with the new Social Security number and notify the department of the update.

## **3.4 Job Update**

This section describes the process to update general attributes in an employee's People & Pay Job Data record, excluding pay rate changes. Job Data updates are done at the discretion of the department payroll/personnel staff, but can only be initiated with proper documentation. Supporting documentation justifying the change to the employee's Job Data must be maintained in the employee file.

Department payroll/personnel staff make job updates by adding an effective dated row in People & Pay using the DTA/UPD Data Change/Update Job Data Action/Action Reason to change the following attributes on an employee's Job Data record:

- Standard Hours
- Medical Date
- Fingerprint Date
- Merit Increase Date



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- Timesheet Code
- Combination Code (used to override the default funding of the employee's position)

The data entry into DTA/UPD Data Change/Update Job Data is triggered when the department makes the decision to change an attribute in an employee's Job Data record, or when the Payroll Division receives confirmation to change an employee's Federal Insurance Contributions Act (FICA) status.

### **3.4.1 Update FICA**

The Payroll Division updates the FICA status to indicate whether the employee is required to pay FICA deductions or not. FICA status can only be updated by the Payroll Division. If an employee's FICA deduction status is about to change, the department payroll/personnel staff must contact the Payroll Division Tax Unit.

### **3.4.2 Update Mail Drop ID**

The Mail Drop ID is used in People & Pay to indicate where to sort *W-2, Wage and Tax Statements*, and to organize the paperwork for department pick-up. The Update Payroll Options page is used to record and update the employee's Mail Drop ID.

The Mail Drop ID consists of two parts; the three character department ID—CON for example—and the check distribution code maintained by each department. When the department payroll/personnel staff is updating or reorganizing the Mail Drop IDs for its department, the department code must be included at the beginning to ensure the *W2, Wage and Tax Statements* for the department sort properly and are correctly delivered to the employee. The sort order is as follows:

1. Department three letter code
2. Mail Drop ID
3. Employee name

## **3.5 Transfers**

Civil Service Rules and DHR set guidelines regarding government employee transfers between City and County of San Francisco (CCSF) departments and from CCSF to SF Unified School District (USD) or San Francisco Community College District (CCD). The following sections provide summary guidance on how department payroll/personnel staff should process employee transfers. For specific instructions, please contact DHR.



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### **3.5.1 Transfers Between CCSF Departments**

If an employee is transferring, promoting, or being reinstated from one CCSF department to another CCSF department, perform the following steps:

1. The payroll/personnel staff of the current CCSF department completes a DHR *Employee Request for Transfer* form. If the action is a regular transfer, the current department payroll/personnel staff does not need to sign the form; if it is a promotional transfer or reinstatement to another CCSF department, then a signature is required. The current department payroll office submits the *Employee Request for Transfer* form to the new CCSF department payroll office.
2. The payroll/personnel staff of the current CCSF department completes a Payroll Division *Employee Change of Department* form summarizing the transferring employee's paid leave balances, pay adjustments, and banked vacation information. The current department payroll/personnel staff submits the form to the new CCSF department payroll/personnel staff.
3. The payroll office of the new/requested CCSF department receives the DHR *Employee Request for Transfer* form and signs its portion of the form. It then submits the form to DHR.
4. The payroll office of the new/requested CCSF department receives the DHR *Employee Request for Transfer* form and verifies that the correct balance information is recorded in People & Pay. This department payroll office completes the transfer in People & Pay.

### **3.5.2 Transfers from USD or CCD to CCSF**

If an employee is transferring, promoting, or being reinstated from the SF Unified School District (USD) or San Francisco Community College District (CCD) to CCSF, perform the following steps:

1. Provide the incoming employee from USD or CCD with a Payroll Division *Employee Change of Department Form*. The USD or CCD payroll office uses this form to summarize the transferring employee's paid leave balances, pay adjustments, and banked vacation information. Employees transferring from USD must also complete Side 2 of the form. The USD or CCD department payroll office submits the form to the new CCSF department payroll office.
2. Provide the incoming employee from USD or CCD with a copy of the *Information on Employees Transferring From USD or CCD Form*. The employee should read, sign, and date the shaded portion of the form, and then provide the form to the USD or CCD payroll department to complete the remainder of the form.



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3. The incoming employee from USD or CCD provides the completed form to the CCSF department Appointing Officer for signature.
4. The CCSF department payroll/personnel staff enters the employee information into People & Pay. It is very important that the correct benefit service date is accurately recorded into the system.
5. The CCSF department payroll/personnel staff completes the *Vacation/Sick Pay Adjustment Form* to adjust the transferring employee's vacation, sick pay, and vested sick pay balances.
6. The CCSF department payroll/personnel staff completes a *Problem Description Form* (PDF) to adjust the transferring employee's floating holiday and other absence balances:
  - In Part 1 of the *PDF*, check OTHER and write "transfer from USD" or "transfer from CCD."
  - In Part 2, indicate the incorrect floating holiday and other absence balance amounts for the transferring employee.
  - In Part 3, indicate the correct floating holiday and other absence balance amounts for the transferring employee.
  - Obtain the necessary signatures on the *PDF*.
7. Submit the *Employee Change of Department Form*, the *Information on Employees Transferring From USD or CCD Form*, the *Vacation/Sick Pay Adjustment Form* and the *PDF* to the Payroll Division Adjustments Unit.

### **3.5.3 Transfers from CCSF to USD, CRT, or CCD**

If an employee is transferring, promoting, or being reinstated from CCSF to USD or CCD, the CCSF department payroll/personnel staff performs the following steps:

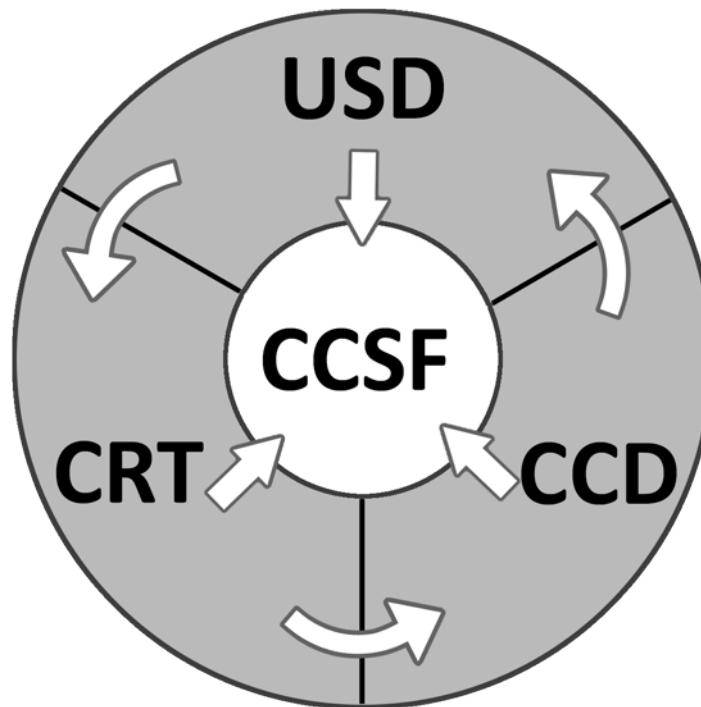
1. Complete a Payroll Division *Employee Change of Department Form* summarizing the transferring employee's paid leave balances, pay adjustments, and banked vacation information. If the employee is transferring to USD, complete side 2 on the form. Submit the form to the payroll office at USD or CCD.
2. Complete a Payroll Division *Information on Employees Transferring From USD or CCD Form*. Have the employee sign the form and then submit it to the payroll office at USD or CCD.





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3. If the employee is going to the USD or CCD, fill out and send a *Vacation/Sick Pay Adjustment Form* to the Payroll Division to zero out the employee's vacation and sick leave balances.



### 3.6 Termination

**Overview.** Employees may end their City employment due to a number of reasons, including retirement, resignation, death, layoff, or termination. When the department payroll/personnel staff receives a notice of termination, resignation letter, or the department is notified of the employee's death, People & Pay must be updated to properly terminate the employee. This section describes the general procedure that must be followed in order to properly separate the employee from City employment. For step-by-step instructions, please refer to the People & Pay UPK library.

In People & Pay, a termination is a transaction entered when an employee completely separates from a job record designated by an employee record number. Department payroll/personnel staff are responsible for entering terminations in the employee's Job Data record in the People & Pay system. Transactions should be entered as such:

- If an employee's last day actively working is 6/29/2017, then the termination date is 6/30/2017



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- If an employee's last day actively working is 6/30/2017, then the termination date is 7/1/2017
- If an employee's last day actively working is 7/1/2017, then the termination date is 7/2/2017

### Exceptions:

- Terminations of non-classified employees of the Community College District (CCD) and the Unified School District (USD) - these terminations are entered by CCD and USD in their human resource database systems, and an interface creates the termination records in People & Pay.
- Termination transactions related to settlement agreements and layoffs - these terminations are entered by the Systems Division and Department of Human Resources (DHR) respectively (see UPK outline for information on settlement agreements and layoffs).
- Termination cases where a terminated employee is allowed to keep his or her health benefits due to holdover rights or an agreement (see UPK outline for information on terminations with benefits).

**Termination Action/Action Reasons.** The following lists the People & Pay Action/Action Reason combinations used to track terminations in the system, and a brief description of each termination type:

- TER/ARS: *Termination/Automatic Resignation* is used for entering the disciplinary termination of a Permanent Civil Service (PCS) employee, who was absent without an approved leave of absence for a period greater than five (5) consecutive workdays.
- TER/DEA: *Termination/Death* is used to enter the termination of a deceased active or retired employee, and is entered in People & Pay as follows:
  - Active Classified Employees—entered by the employee's department payroll/personnel staff. Departments are required to forward the employee's original *Warrant Recipient Designation* form to the Payroll Division, along with other supporting records, such as the *Lump Sum Vacation Pay/Vested Sick, Comp Time, Wellness, Fire Dept. T&E Form*. Refer to Section 3.6 for more information.
  - San Francisco Employees' Retirement System (SFERS) Retirees—entered by SFERS or Health Service System (HSS).
  - Non-SFERS Retirees—entered by HSS.



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- **TER/DPE:** *Termination/Dismissal of Permanent Employee* is used for entering the disciplinary termination of an employee dismissed from his or her PCS position.
- **TER/DSH:** *Termination/Never Reported to Work* is used to enter the termination of a new hire or re-hire who never reported for work as scheduled. The department must:
  - Confirm that the employee has no work hours in People & Pay.
  - Insert a row in the employee's job record with the same effective date of the Hire or Rehire row, and increase the effective sequence number.
  - Send an email notification to HSS regarding the TER/DSH transaction to reverse any health benefits enrollment the agency may have done for the employee based on the Hire or Rehire row.
- **TER/LLT:** *Termination/Legal Limit - Temporary Time* is used to terminate employees approaching the legal limits (1,040 hours total) of their temporary appointment.
- **TER/MRN:** *Termination/Medical Release - Non-Punitive* is used to enter the termination of an employee who participated in the reasonable accommodation process, but an accommodation was not found either in the employee's current job code, or any other job code.
- **TER/RFC:** *Termination/Release from Probation, Disciplinary* and **TER/RFP:** *Termination/Release from Probation, Non-Disciplinary* are used to terminate PCS employees during their probationary period. The department must ensure that the employee's probationary period is still in effect at the time of the release, otherwise, TER/RFC or TER/RFP cannot be used to enter the termination (refer to other termination types in this section to identify the appropriate Action/Action Reason codes to use).
- **TER/RLS:** *Termination/Release* is used to enter the non-disciplinary termination of a non-Permanent Civil Service (non-PCS) employee.
- **TER/RSS:** *Termination/Resignation - Satisfactory Services* and **TER/RUS:** *Termination/Resignation - Unsatisfactory Services* are used to enter an employee's resignation after verifying the status of the employee's services with his or her supervisor. Rows for TER/RSS and TER/RUS indicate that the resigning employee is separating from the current position, as well as other positions to which the employee may have return rights. If the employee intends to return to a prior position, TER/RSS or TER/RUS cannot be used, and the appropriate Action/Action Reason must be identified in the UPK outline regarding appointment changes.



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- **TER/TFC:** *Termination / Termination for Cause* is used to enter the disciplinary termination of a non-PCS employee.

**Retirement.** Employee retirements also result in the termination of an employee's job record(s). Employees are responsible for providing a copy of their retirement approval letter to all departments in which they hold a position. Departments are required to terminate all active job records when an employee retires by using one of the following retirement termination Actions/Action Reasons, with the Action Reason indicating the employee's type of retirement:

- **TER/RMT:** *Termination/Service Retirement*
- **TER/RTD:** *Termination/Disability Retirement*
- **TER/VST:** *Termination/Vested Retirement*

Retirement termination transactions serve only to terminate the employee's active job record(s); these transactions do not establish a retirement record for the employee (see the UPK outline for information on creating a Person of Interest instance to establish a retirement record for an employee).

**Termination checklist.** Prior to entering a termination transaction, department payroll/personnel staff must complete the required termination checklist and attach supporting records. The only terminations that do not require checklists are terminations under the following Actions/Action Reasons:

- **TER/DSH:** *Termination/Never Reported to Work*
- **TER/DEA:** *Termination/Death*

The system will verify if a required termination checklist exists for the appropriate:

- Employee
- Employee Record Number
- Effective Date
- Termination Action Reason - Termination Checklist Code Match

When termination transactions are added in Job Data, departments must also enter applicable future employment restrictions, update combination code information as applicable, and remove additional components of pay, such as Acting Assignment Pay. Upon completion of the termination data entry, department payroll/personnel staff will:



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- Proceed with other general termination processes; for example, submit a completed *Problem Description Form* to the Payroll Division and, when applicable, transmit the employee's disciplinary separation documentation to the unemployment vendor.
- Run the appropriate People & Pay termination reports as necessary:
  - CCSF Termination Report
  - CCSF Resignation Letter
  - CCSF Termination from Non-PCS with Underlying PCS Position Letter

DHR will audit all termination entries, checklists and supporting records.

**Reports and queries.** The following reports and queries are available in People & Pay to help department payroll/personnel staff process terminations:

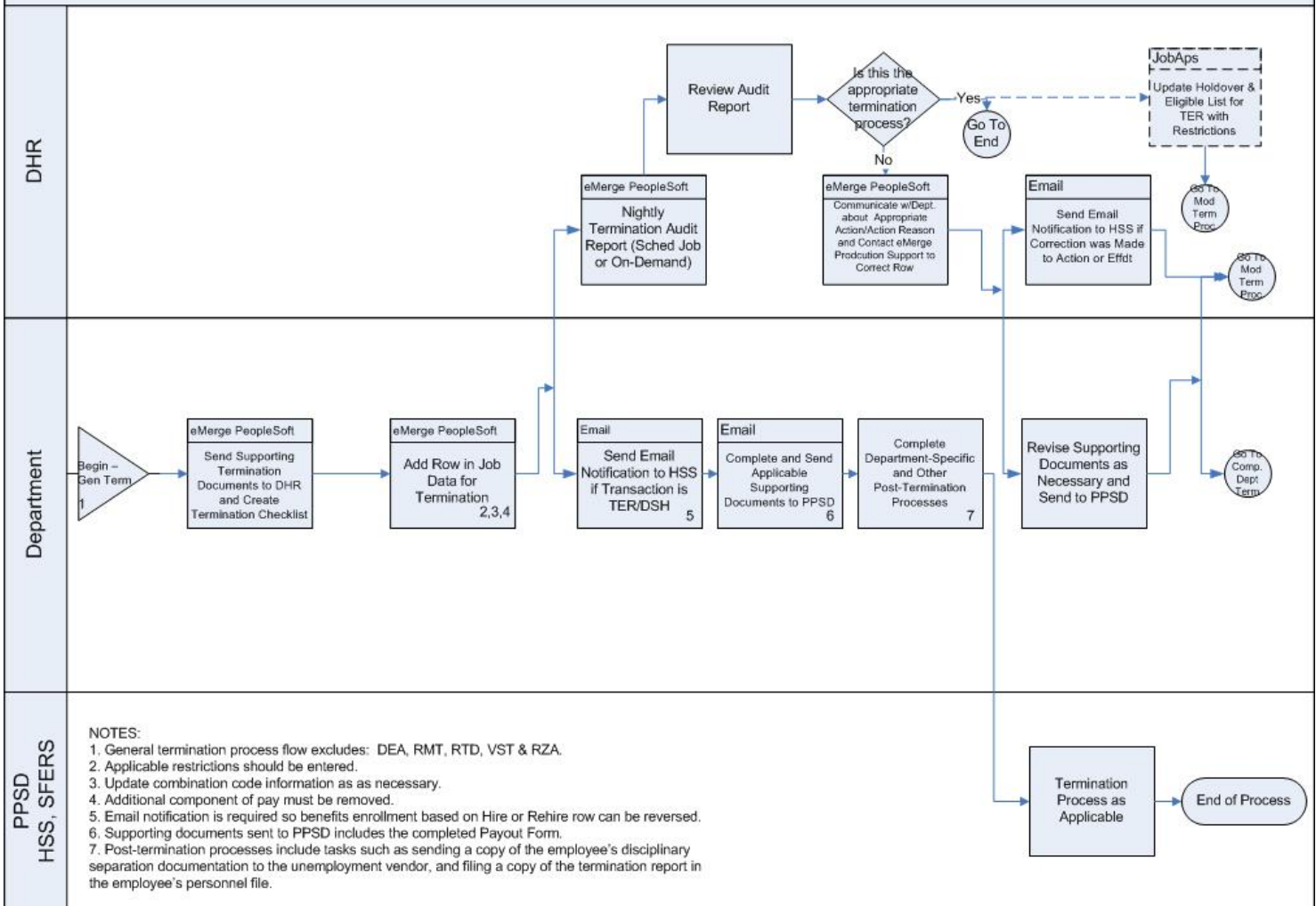
- CCSF Termination Report
- CCSF Resignation Letter
- CCSF Termination from Non-PCS with Underlying PCS Position Letter
- MRG\_HR0108\_TERM\_EMPLOYEES  
Employees who are terminated, laid off, or terminated with benefits.
- HR0218: TEX 12-MONTH ROLLING PERIOD 1040 HOURS WORKED  
TEX employees who are not yet eligible for benefits.
- HR0222: FISCAL YEAR HOURS WORKED  
TEX Cat 16 employees and hours reported based on the current fiscal year.
- HR0225: TEX <200 HOURS WORKED  
Benefit eligible TEX employees who have worked less than 200 hours in the previous 12-month rolling period.
- POI Transactions Query

**Flow chart.** The process flow diagram on the following page illustrates the steps followed to process a termination of a classified employee in People & Pay.



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## Terminations of Classified Employees



### 3.6.1 Retirement

This section defines the process for establishing retirement records in the People & Pay system for classified and non-classified employees. Classified employees are defined as employees in positions with City and County of San Francisco (CCSF) job codes. Non-classified employees are employees in certificated positions at the San Francisco Community College District (CCD) or the San Francisco Unified School District (USD). The process is as follows:

1. Employees apply for retirement directly with their respective retirement agencies - such as California Public Employees' Retirement System (CalPERS) or San Francisco



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Employees' Retirement System (SFERS) - and eligibility and approval for the type of retirement are determined by those agencies.

2. The employee receives an approval letter from his or her retirement agency, and he or she is responsible for submitting a copy of the approval letter to all departments in which he or she holds a position.
3. Once the Notification of Intent to Retire and Person of Interest report is received for an employee, departments are responsible for entering retirement terminations for classified employees in People & Pay (refer to the UPK outline for information on retirement terminations).

Retirement records are established in People & Pay by creating a Person of Interest (POI) instance for the employee. The creation of a retirement POI instance is triggered by retirement agency approval of a classified employee, or retirement termination of a non-classified employee. One of the following Action/Action Reason combinations is used in creating the POI instance:

- POI/RMT: *Add Person of Interest/Service Retiree* is used to create a POI instance for an employee under Service Retirement.
- POI/RTD: *Add Person of Interest/Disability Retiree* is used to create a POI instance for an employee under Disability Retirement.
- POI/VST: *Add Person of Interest/Vested Retiree* is used to create a POI instance for an employee under Vested Retirement.

The group responsible for creating the POI instance in People & Pay depends on the employee's retirement agency:

- San Francisco Employees' Retirement System (SFERS) Employees - the majority of classified employees belongs to the SFERS retirement group. The SFERS agency is responsible for creating the POI instance for this group under the appropriate retirement Action Reason.
- Classified non-SFERS Employees - there are classified employees who belong to retirement groups other than SFERS; for example, the California Public Employees' Retirement System (CalPERS). The POI instance for this group of individuals is created by departments such as:
  - Adult Probation
  - Department of Public Health



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- District Attorney
- Human Services Agency
- Juvenile Court
- Sheriff
- Administrative Services—Redevelopment Agency
- Community College District (CCD) and Unified School District (USD) non-Classified Employees—non-classified CCD and USD employees belong to the following retirement agencies:
  - California State Teachers' Retirement System (CalSTRS)
  - Public Agency Retirement Services (PARS)
  - California Public Employees' Retirement System (CalPERS)

Upon receipt of the retirement agency approval letter, CCD and USD enter a retirement termination transaction in their human resources database, and a nightly interface adds an effective dated row in the employee's People & Pay Job Data record to terminate the employee under the appropriate retirement Action Reason. A batch process then creates the appropriate POI instance to generate the retirement record.

In cases where a retiring employee does not exist in People & Pay, a *Request for Person of Interest Form* must be submitted to the Systems Division by:

- SFERS for classified employees retiring from the SFERS group
- HSS for classified and non-classified employees retiring from a group other than SFERS

### **3.6.2 Severance Pay for Terminating Employee**

**Overview.** Only certain terminated employees are entitled to severance pay. To determine eligibility for severance pay, review the MOU applicable for the employee and consult with DHR on questions concerning employee eligibility or MOU interpretation.

**Procedure.** Department payroll/personnel staff will complete these steps when severance pay is provided in the event of employee layoffs, elimination of non-permanent positions, or contracting-out of services.

1. Review the MOU and confirm that the employee is eligible for severance pay.





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2. Change the status of the employee in People & Pay from "Active" to either "Inactive" or "Terminated."
3. Prepare a *PDF*, completing all parts of the form and writing a brief reason for the request for severance payout in Part 2.
4. Calculate the severance pay amount based on the provisions of the applicable MOU. Write the total amount to be paid to the employee on the *PDF*, and attach a copy of the relevant pages of the MOU. If there is a settlement associated with this employee severance, attach a copy of the signed settlement agreement to the *PDF*.
5. Attach these additional supporting records:
  - *Payroll Register*
  - *Separation Agreement*
  - Any other authorizing documents, such as an interdepartmental memorandum
6. Obtain the required signatures of the Preparer and the Appointing Officer on the *PDF*.
7. Submit the *PDF* and supporting records to the Payroll Division.

Upon receipt of the *PDF*, the Payroll Division will review the accuracy of calculations and confirm the required attachments and approvals. The Payroll Division will initiate payment, ensuring correct taxes and deductions are withheld, and issue payment for the employee's severance pay.

### **3.6.3 Lump Sum Payout for Terminating Employee**

CA Labor Code 220 excludes the payment of wages of employees directly employed by any county, incorporated city, or town or other municipal corporation from wages due upon resignation or termination. However, lump sum entitlement balance payouts are to be processed within **two pay periods** from a separating employee's final active pay period. Only eligible leave balances will be paid out based on the Memorandum of Understanding (MOU) applicable to the employee.

Please refer to Section 9 for detailed information on how to complete the required forms to process lump sum payoffs for terminating employees.

### **3.6.4 Death of Employee**

When the department has been notified of the death of an employee, the following procedures should be followed:



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1. Contact the Payroll Division's Tax Unit at [con.payroll.tax\\_unit@sfgov.org](mailto:con.payroll.tax_unit@sfgov.org) and provide the deceased employee's name, DSW#, and date of death.
2. Do not post any hours for the deceased employee during the current pay period; instead, prepare a *Problem Description Form* (PDF) indicating "DECEASED" and specify how the employee should be paid.
3. Separate the deceased employee in People & Pay.
4. FOR FIRST RESPONDERS ONLY: Submit the *PDF* and *Lump Sum Vacation Pay/Vested Sick, Comp Time, Wellness, Fire Dept. T&E Form* to the Payroll Division for processing.

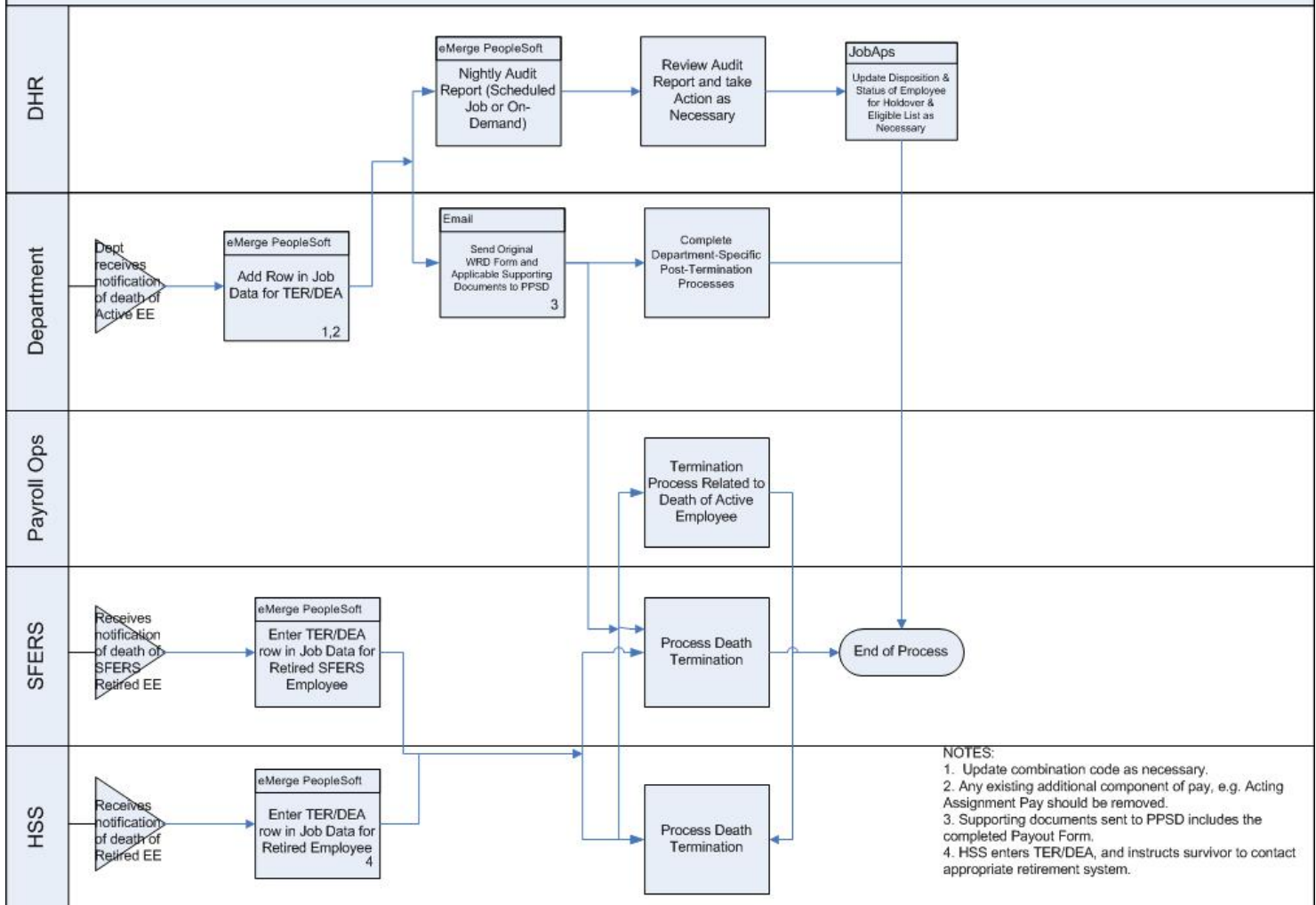
The Payroll Division will process the deceased employee's pay and disburse the money to the designated beneficiary. At the end of the end of the calendar year, the Payroll Division will issue a *W-2, Wage and Tax Statement* for the deceased employee and Accounting Operations Division will issue a *Form 1099 - Miscellaneous Income* to the deceased employee's beneficiary. Departments should refer all questions from beneficiaries regarding the deceased employee's pay to the Payroll Division's Tax Unit at (415) 701-3400.

**Flow chart.** The process flow diagram on the following page illustrates the steps followed to process a termination of a deceased employee in People & Pay.



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## Terminations for Death (Active Classified Employees and All Retired Employees)





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# SECTION 4: TIME REPORTING PROCEDURES

### ***Purpose***

In order to properly pay employees, department payroll/personnel staff need to accurately and reliably submit or review time entries. This section defines the general procedures for preparing, submitting, approving, and amending time records at the department level to ensure the accurate compensation of employees. Departments also need to refer to other policies and procedures governing financial and administrative requirements—especially Memoranda of Understanding (MOUs)—in conjunction with these guidelines.

### ***Policy***

It is the policy of all City departments to pay every employee accurately and on time. For People & Pay interface departments, the timesheets of every work unit must be processed by department payroll/personnel staff and submitted to the Payroll Division no later than 5:00 pm on the specified Tuesday afternoon for the pay period. Each pay period is biweekly, beginning on Saturday at 12:01 a.m. and ending on the second Friday at midnight.

Departments are required to report all employee hours that are subject to payroll and financial processing, consistent with the requirements set forth by DHR, the Controller's Payroll Division, and other central agencies. Supervisors and managers must meet their deadlines for the review, approval, and submittal of timesheets **each work week** in such a manner as to ensure the accuracy and timeliness of submissions to the Payroll Monitor/Timekeeper. Timekeepers shall input, audit, correct and/or submit accurate timesheets into People & Pay by the specified deadlines.

Department managers may develop and enforce additional written procedures specific to their unit, consistent with these general requirements, as approved by their department payroll office.



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### 4.1 Setting Up and Maintaining Employees as Time Reporters

**Overview.** In People & Pay, all employees who enter time or have time entered on their behalf are called "Time Reporters." To enter and process time data and absence data, employees must be enrolled as Time Reporters and in compensatory plans. Employees who hold multiple active jobs have multiple Time Reporter enrollments based on their active job records. Employees are enrolled as time reporters during the new hire process when the following are assigned:

- A **workgroup** that defines the type of reporting (scheduled or not scheduled), the rule program, the time reporting code (TRC) program, the default time period ID, schedules, rounding rules, and day-breaker options.
- A **taskgroup** that identifies the default time reporting template, the task template, and the task profile for time reporting.

The following are the Job Data components that departments must enter in order to establish a Time Reporter:

- Work Location page contains the **HR Status**, **Payroll Status**, **Position Number**, **Location**, and the most current **Effective Date**.
- Job Information page identifies the **Job Code**, **Full/Part Time**, **FLSA Status**, and **Standard Hours** for the employee.
- CCSF Job Information page shows the **Appointment Date** and **Merit Increase Date** for the position.
- Job Labor page lists the **Bargaining Unit** and **Union** (code).
- Payroll page contains the **Pay Group**, **Holiday Schedule**, **Roster Code**, **Combination Code** (which overrides the default combo code on the annual salary ordinance [ASO]), and the **Absence Management System** details. Absence Management System section of the Payroll page identifies the **Pay Group** and **Eligibility Group** and the **Use Pay Group Rate Type** and **Use Pay Group As-of Date**.
- Salary Plan page shows the **Job Indicator** and the **Salary Administration Plan**, **Grade** and **Step**.
- Compensation page shows the **Compensation Rate** and **Frequency** including Components of Pay: **Acting Assignment**, **Supervisor Differential**, and **Police Motorcycle Premium**.



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- Employment Information page lists the **Company Seniority Date**, **Benefits Service Date**, and link to the Time Reporter Data page.
- Earnings Distribution page list the **Compensation Rate**, **Standard Hours**, **Work Period**, and **Compensation Frequency**.
- Benefit Program Participation page identifies the HSS system benefits eligibility and **Benefits Program** for the employee.

The People & Pay **Time Reporter Data** component is the main setup information for time reporting. The following information is stored on the Time Reporter Data page:

- Effective Date
- Time Reporter Status
- Send Time to Payroll checkbox, 'Selected'
- Time Reporter Type (Elapsed or Punch) and associated Time Reporting Template
- Until instructed otherwise, Workgroup, Taskgroup, Task Profile ID, and Time Reporting Template are assigned to default values regardless of the employee's job or position profile in People & Pay

### ***4.1.1 Time Data Enrollment and Compensatory Plan Enrollment***

As stated in the earlier section, employees must be enrolled as Time Reporters before time data can be entered onto the timesheet. Employees must also be enrolled in compensatory plans so they can record compensatory time earned and paid to/from a compensatory plan bank.

Enrollment as a Time Reporter and in compensatory time plans is triggered when an employee:

- Is hired
- Is re-hired
- Terminates
- Has a job change that affects eligibility
- Returns from unpaid leave

To assign and maintain a Time Reporter's enrollment in one or more compensatory time plans, department payroll/personnel staff use the People & Pay "Comp Plan Enrollment" page.



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Employees can only be enrolled into the compensatory time plans for which they are eligible. The compensatory plans are:

- ADMIN-MEA is used to track the administrative leave bank balance for employees who belong to the Municipal Executives Association (MEA).
- COMPTIME is used to track compensatory time for employees who receive compensatory hours instead of paid overtime.
- HOLBANK is used to track the holiday in-lieu hours an employee is eligible to receive. All employees are eligible to receive holiday in-lieu. Please review the employee's respective MOU for holiday in-lieu allotment of hours and expiration dates.

### **4.1.2 Time Reporter Data Maintenance**

When employees are hired and their Job Data fields are populated in People & Pay, their Time Reporter data is automatically created by the system. Department payroll/personnel staff must update People & Pay when an employee goes on a paid or unpaid leave status or terminates; their Time Reporter data is inactivated the pay period after the leave is finalized. Department payroll/personnel staff must update People & Pay when an employee returns from a paid or unpaid leave status or is re-hired; their Time Reporter data must be manually reactivated.

An employee's Time Reporter data is automatically inactivated when an employee terminates or goes on unpaid leave of absence. In some instances, an employee's Time Reporter needs to be inactivated manually. An employee's Time Reporter data can be inactivated when there is no time reported on the timesheet on or after the inactivation effective date. When a Time Reporter with reported time needs to be inactivated, the Payroll Division can delete the time on or after the inactivation effective date and then inactivate the Time Reporter data.

Employee Time Reporter data must be manually updated (maintained) when an employee is re-hired or returns from unpaid leave. When these events occur, refer to the People & Pay UPK instructions to re-active an employee's Time Reporter data.

## **4.2 Time Reporting**

Certain departments have their own time entry system; for these departments, time and absence data is interfaced to People & Pay. Other departments either manually enter time data and absence data directly into People & Pay or it is updated through employee self-service time entry. In either case, all departments **must review** and **comply** with the following procedures in order to report time for eligible employees:



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1. Department managers shall designate a Payroll Monitor/Timekeeper responsible for reviewing and monitoring employees' submission of hours worked, supervisors' approval of timesheets, and submission of time records. A back-up Timekeeper shall be appointed and trained. The name and contact information of these employees shall be provided to and maintained by the department's Payroll unit at all times.
2. Department managers shall provide written instructions for the specific actions required to submit and approve the weekly timesheets for their units, including appropriate levels of review and approval (including supervisors' signatures or approvals), documentation, and instructions to prohibit access and distribution of confidential information contained in time records.
3. Approval authority for time record submission must be designated and documented. Approvers must be in the employee's direct chain of command and have knowledge of the source and accuracy of the time records. An employee may not approve his/her own time record.
4. Each employee shall submit his/her weekly time record in accordance with work schedules and all federal, state and local reporting rules and regulations. The Timekeeper shall collect time reporting information from all employees, review all charges for accuracy (especially coding), secure signatures or approvals from appropriate managers, and deliver completed, signed timesheets (for employees other than self-service) including any required documentation to the department's Payroll Unit by the specified deadlines.
5. Department payroll/personnel staff shall review and only correct inaccurate time coding, miscalculation of leave usage or overtime compensation after speaking with the affected employee and the employee's supervisor. Any amendments required after the close of the payroll cycle shall be processed by *Problem Description Form* (PDF). For more information, see Section 7.
6. Department payroll/personnel staff shall follow the payroll production schedule issued by the Payroll Division and enter all completed and approved information from timesheets by the specified deadlines.
7. Department payroll supervisors shall review at least a small sample set of approximately 10% of the time entries and associated documentation, as well as all (100%) of time entries with severity exceptions. Necessary corrections shall be performed by department payroll/personnel staff prior to final approval.

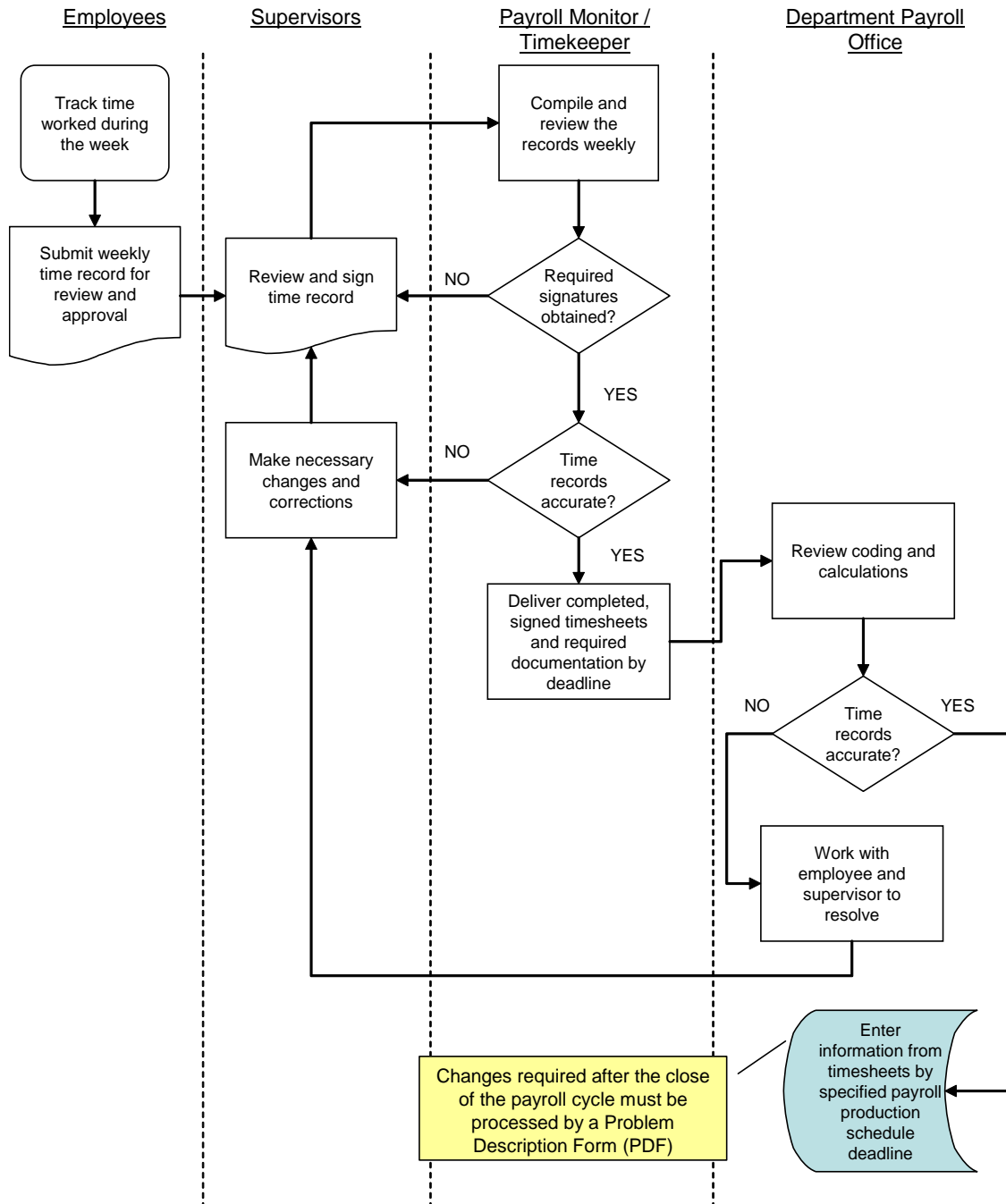
**Flow chart.** The process flow diagram on the following page illustrates the steps followed to report time.





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## Time Reporting Process





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### 4.3 Absences

***For disability-related absences, please review Section 8: Disability Procedures***

**Overview.** The following table lists the various absence plan balances that an employee could be eligible to accrue and use:



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## Leave and Compensatory Plans



Leave/Compensatory Plan	PeopleSoft Module	Leave Type	Paid /Unpaid Leave	Entitlement Processed By	Description
Education Leave - Paid (*)	Absence Management	Accrual Based	Paid	Departments	Departments enter positive entitlement adjustments on the Assign Entitlements and Takes page.
Police Fitness (Police Officers)	Absence Management	Accrual Based	Paid	Departments	
Workers Comp	Absence Management	Accrual Based	Paid	Departments	
Time off Equivalent - TOE (Nurses)	Absence Management	Accrual Based	Paid	Departments	Takes are entered on the <b>Absence Events</b> section of the Timesheet page.
Holiday Comp Leave (Firefighters)	Absence Management	Accrual Based	Paid	Departments	
Longevity (Nurses)	Absence Management	Accrual Based	Paid	Departments	
Admin-LIEU (MEA Safety Non-MCCP)	Absence Management	Accrual Based	Unpaid	Departments	Negative entitlements (reductions) are handled by submitting a PDF to PPSPD
AM-Lieu Leave (Attorneys)	Absence Management	Accrual Based	Unpaid	Departments	
Jury Duty	Absence Management	Per Absence	Paid	No Entitlement	
Bereavement	Absence Management	Per Absence	Paid	No Entitlement	
Parent Teacher	Absence Management	Per Absence	Paid	No Entitlement	
Furlough Float - Unpaid	Absence Management	Per Absence	Unpaid	No Entitlement	Departments enter takes using the <b>Absence Events</b> section of the Timesheet page.
Education Leave - Unpaid	Absence Management	Per Absence	Unpaid	No Entitlement	
Sick Unpaid	Absence Management	Per Absence	Unpaid	No Entitlement	
Workers Comp Unpaid	Absence Management	Per Absence	Unpaid	No Entitlement	
Vacation	Absence Management	Accrual Based	Paid	eMerge/PPSPD	eMerge and PPSPD manage the entitlement, adjustment and balance for these leave types.
Sick	Absence Management	Accrual Based	Paid	eMerge/PPSPD	
Floating Holiday	Absence Management	Accrual Based	Paid	eMerge/PPSPD	
Furlough Float - Paid	Absence Management	Accrual Based	Paid	eMerge/PPSPD	
Admin - MAA	Absence Management	Accrual Based	Paid	eMerge/PPSPD	Takes are entered on the <b>Absence Events</b> section of the Timesheet page.
Attorney	Absence Management	Accrual Based	Paid	eMerge/PPSPD	
Executive	Absence Management	Accrual Based	Paid	eMerge/PPSPD	
Sick Advance - MAA	Absence Management	Accrual Based	Paid	eMerge/PPSPD	Departments submit PDF to PPSPD to adjust balances
Managed using Timesheet grid on the Timesheet page	Time and Labor	Compensatory Plan	Paid	Departments	Departments enter the 'earnings', 'pay', and 'adjustments' using the <b>Timesheet grid</b> on the Timesheet page.
	Time and Labor	Compensatory Plan	Paid	Departments	
	Time and Labor	Compensatory Plan	Paid	Departments	

### \* Education Leave - Paid applies to:

- Supervising Registered Nurses
- SEIU 1021 - Staff & Per Diem Nurses
- Teamsters Local 856 Multi-Unit
- American Physicians & Dentists (Unit 8-CC)
- American Physicians & Dentists (Unit 11-AA)
- Unrepresented Employees
- IFPTE Local 21
- SEIU 1021 Miscellaneous
- Court Local IFPTE Local 21



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As shown in the above table, there are two types of absences: accrual-based absences and event-based absences.

**Accrual-based absences.** Accrual-based absences are entitlements that accrue periodically (e.g., each pay period, quarterly, or annually). Accrued balance absence events are:

- Sick leave
- Vacation leave
- Police fitness leave
- Floating holiday
- Executive leave

Accrued balance absences are tracked year-to-date for entitlements, balances, takes, and adjustments. Employees may use any time accrued (with the appropriate approvals) up to their limit. Employees may not use time in excess of the time they have actually accrued.

**Employees are not eligible to use certain types of accrued leave (e.g., sick leave and vacation) in the same period in which it is accrued.** Some other absence types (e.g., floating holidays) are eligible for use within the period in which they are accrued.

**Event based absences.** Event-based events are:

- Jury duty
- Bereavement leave
- Parent/teacher conference leave

Event-based absences differ from accrual-based absences in that the employee does not accrue a balance but receives the time off as it occurs. An example of this type of absence is jury duty. The employee does not have an entitlement balance to draw from. Instead, the time is granted as it is used. For bereavement leave, an employee is allowed to use three days of SP if the deceased family member is in California, or five days of SP if the employee needs to travel out-of-state. Depending on the type of event, balance thresholds may apply. An example is parent/teacher conference leave where the employee is able to take up to four (4) hours annually for parent/teacher meetings. Any time taken in excess of the threshold will be identified during the time administration process and become unpaid. When this happens, the employee's department timekeeper or the employee must enter other accrued time off to be paid.



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Event based absences are tracked when taken, at the year-to-date level only.

**Absence leave banks.** Before an employee can use any of these leaves there must be a balance to draw from in People & Pay. Departments create these leave banks by using the Assign Entitlements and Takes page to increase the balance in the employee's bank when appropriate based on department rules, union contract, Civil Service Rules, and/or City Charter. Leave banks are decreased when an employee uses the available time. Timekeepers, Time Reporters (self-service), or Payroll Clerks enter (direct time entry or time interface) Time Reporting Codes on the People & Pay timesheet, thus decreasing the balance in the banks. When approved, another balance entitlement is created and the balance increases again. If a balance is incorrect and needs to be reduced or eliminated, a request must be made to adjust the balance.

The following list defines the People & Pay terms related to absences:

- **Adjustment** - An increase or decrease that is made to the entitlement balance.
- **Absence Event** - The period of time that an employee is absent for the same reason. For example, if an employee is out sick Monday through Wednesday, the three-day absence is referred to as an absence event.
- **Absence Take** - Each day of an absence event. For example, if an employee is out sick Monday through Wednesday, each day of the three-day absence event is defined as an absence take. The absence take record identifies the absence name, or type of absence used.
- **Entitlement** - The amount of time-off that an employee is entitled to take for each category of absence or each absence event.
- **Entitlement Balance** - Same as leave balance.

When an employee utilizes an accrual- or event-based absence, time interface departments enter absence data into local time entry systems and use the time inbound interface to load absence data into People & Pay; direct time entry departments or self-service employees enter absence data directly into People & Pay. Absence entry can also be triggered by:

- CCSF's need to maintain entitlement balances for absence types based on employee MOU.
- Catastrophic Illness transactions are triggered by enrollment in the program; adjustments are triggered by either direct donations or pool allocations.



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- Retroactive adjustments are triggered by the *Problem Description Form* (PDF) being forwarded from a department to the Payroll Division.
- Symbol changes are triggered by a *PDF* forwarded from the department to the Payroll Division.
- Payouts are triggered by a *PDF* forwarded from the department to the Payroll Division.

### **4.3.1 Absence Calendars and Processing**

People & Pay maintains two absence calendar periods that match pay periods. For every pay period in the City and County of San Francisco (CCSF) there are two absence calendars:

- One calendar to process the **Takes** (absence balances used)
- One calendar to process **Entitlements** (absence balance increases based on CCSF charter, Memorandum of Understanding (MOU), or Civil Service rules)

Absence takes are processed after time is loaded to pay sheets and before payroll processing. People & Pay processes the takes, as defined in the list below, for employees before processing entitlements. Takes processing occurs in this order:

- All entitlements, **except sick and vacation**
- All takes
- All leave balance adjustments
- Sick and vacation entitlements

After the Pay Confirmation process completes, entitlements for sick and vacation are processed. Entitlement processing updates leave balances for sick and vacation based on absence management rules.

### **4.3.2 Review Absence Balances**

Departments are responsible for managing and reviewing their employees' absence balances. There are two ways to view absence balances in People & Pay:

1. The **Current Balance** option displays a list of accrued leave balances as of a point-in-time in the current pay period.
2. **Per Period Activity** option tracks an employee's leave plan balances by pay period end date.



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To determine activity in a period, take the value from the prior pay period and subtract the value in the current period for each "segment" (\_BAL, \_ENT, \_TAKE, \_ADJ), which are defined in People & Pay as follows:

- **\_BAL** - the current balance
- **\_ENT** - the year-to-date entitlement activity
- **\_TAKE** - the year-to-date take activity
- **\_ADJ** - the year-to-date adjustment activity executed against a balance or entitlement.

### **4.3.3 Adjust Absence Balances**

Department payroll/personnel staff can request adjustments to an employee's absence balance by submitting a *Problem Description Form* (PDF) to the Payroll Division. Please refer to Section 7 for absence balance adjustment procedures. There are three absence balances that the Payroll Division cannot adjust: compensatory time, holiday, and administrative leave. These should be adjusted at the department level using the appropriate time reporting codes. Before adjusting any of those balances, documentation must be approved.

### **4.3.4 Leaves of Absence**

**Overview.** This section describes the process for entering leaves of absence in the People & Pay system. Employee eligibility for leave of absence (either paid or unpaid) is contained in provisions outlined in Civil Service Commission (CSC) Rules, and the employee's bargaining unit Memorandum of Understanding (MOU).

To request a leave of absence for more than five (5) working days, eligible employees need to submit the appropriate Department of Human Resources form (available at [sfdhr.org/hrelibrary](http://sfdhr.org/hrelibrary)). Employees should submit a completed *Request for Leave and Leave Protections Form*, and for medical leaves, employees may be required to submit certifications from a health care provider or other records supporting the need for leave and related entitlements. Employees receiving third party benefits such as SDI, PFL, or Workers' Compensation should submit a *Supplementation Form* to confirm the employee's choice to use or waive supplementation with accrued leave. **Departments are responsible for the review and approval of requests for leave according to CSC Rules and MOU provisions.**

**Procedure.** To process a leave of absence, department payroll/personnel staff add an effective dated row in an employee's Job Data record for leaves of absence greater than five (5) consecutive workdays. Leaves of absence less than 5 days are not entered in Job Data; they are tracked by time reporting codes (military leave is the only exception).



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The following lists the Action/Action Reason combinations used to track unpaid leaves in People & Pay:

- LOA/EDU: *Leave of Absence/Educational Leave* is used to track the leave of an employee on leave of absence to obtain educational or vocational training in a field related to the employee's current position.
- LOA/EOR: *Leave of Absence/Employee Organization Leave* is used when an employee is on leave of absence to work for his or her labor union.
- LOA/FCL: *Leave of Absence/Family Care Leave* is used to track the leave of absence of an employee on leave for one of the following reasons:
  - Birth of the employee's child
  - The assumption of parenting or child rearing responsibilities
  - The serious illness, health condition, mental or physical impairment of the employee's family member, domestic partner, child, or parent
- LOA/PLF: *Leave of Absence/Personal Leave Following Family Care Leave* is used to track the leave of absence of an employee on a Personal Leave at the conclusion of a Family Care Leave. The use of LOA/PFL requires that a row for LOA/FCL exists in the system, and that the reason for Personal Leave Following Family Care Leave is the same reason as the original Family Care Leave request.
- LOA/PLV: *Leave of Absence/Personal Leave* is used to track the leave of absence of an employee under Personal Leave.
- LOA/SLD: *Leave of Absence/Spousal and Domestic Partner Leave for Military* is used to track the leave of absence of a qualified employee on leave to bond with his or her military spouse or domestic partner, while the military member is on leave from deployment.
- LOA/SNP: *Leave of Absence/Sick Leave without Pay* is used to track the leave of absence of an employee on Sick Leave without pay for the reason of the employee's own health condition, or to care for other individuals as outlined in the CSC Rules. The effective date of the LOA/SNP row should match the first day the employee does not use Sick Leave Pay credits or any other accrued time to cover the Sick Leave.
- LOA/UAL: *Leave of Absence/Unpaid Administrative Leave* is used when a department's Appointing Officer initiates the employee's leave, pending the full investigation of the employee's gross misconduct as specified in Charter Section A8.341.





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- **LOA/ZZA:** *Leave of Absence/Employee Amount* is used by the SF Unified School District to indicate that a non-classified employee is on leave, and that the employee is responsible only for the employee's share of his or her health benefits; the department continues to cover the employer's share.
- **LOA/ZZB:** *Leave of Absence/Full Premium* is used by the Unified School District to indicate that a non-classified employee is on leave, and that the employee is responsible for the full amount of the employee's health benefits; the department is not covering the employer's share.

The effective date of an unpaid leave should match the first day that an employee is unpaid. An unpaid leave Job Data entry changes the employee's Payroll Status to "Leave of Absence." This Payroll Status indicates the employee is on an unpaid leave; pay cannot be processed for the employee and health benefits are impacted based on applicable rules.

In addition to the unpaid leaves listed above, departments also track the following paid leaves on Job Data:

- **PLA/MPL:** *Paid Leave of Absence/30 Day Paid Military Leave* is used to track the Military Leave of an employee within the 30-day Military Pay entitlement.
- **PLA/30P:** *Paid Leave of Absence/Post 30 MIL with Pay* is used when an employee, who is a voluntary member of the military, is on Military Leave beyond the 30-day entitlement of Military Pay, and the employee uses discretionary time to cover the remainder of the Military Leave.
- **PLA/30L:** *Leave of Absence/Post 30 MIL without Pay* is used when an employee, who is a voluntary member of the military, is on Military Leave beyond the 30-day entitlement of Military Pay, and the employee does not use discretionary time to cover the remainder of the Military Leave. The effective date of the PLA/30L row must match the first day the employee does not use discretionary time.
- **PLA/30R:** *Paid Leave of Absence/Post 30 MIL Regular Pay* is used when an employee on military leave per ASO 2.3 is compensated with regular worked hours beyond the 30-day Military Pay entitlement.
- **PLA/CIP:** *Paid Leave of Absence/Catastrophic Illness Program* is used when an employee on leave is a participant in the Catastrophic Illness Program (CIP).
- **PLA/WCP:** *Paid Leave of Absence/Workers' Comp with Pay* is used when an employee on Workers' Compensation (WCU) Leave supplements WCU Pay with WCU Shadow Account or any other discretionary time.



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- **PLA/WCL:** *Paid Leave of Absence / Workers' Comp without Pay* is used when an employee on Workers' Compensation (WCU) Leave does not supplement WCU Pay with WCU Shadow Account or any other discretionary time.

Leaves related to military service, catastrophic illness, and Workers' Compensation are the only paid leaves entered in Job Data; all other types of paid leave are tracked by time reporting. A paid leave Job Data entry changes the employee's Payroll Status to "Leave with Pay." This Payroll Status indicates the employee is on a paid leave, and pay can be processed for the employee.

Departments should not enter a future dated row for leaves of absence due to the impact the data entry has on Payroll Status. Departments must also verify that the employee has indeed begun the leave of absence before entering the leave in People & Pay.

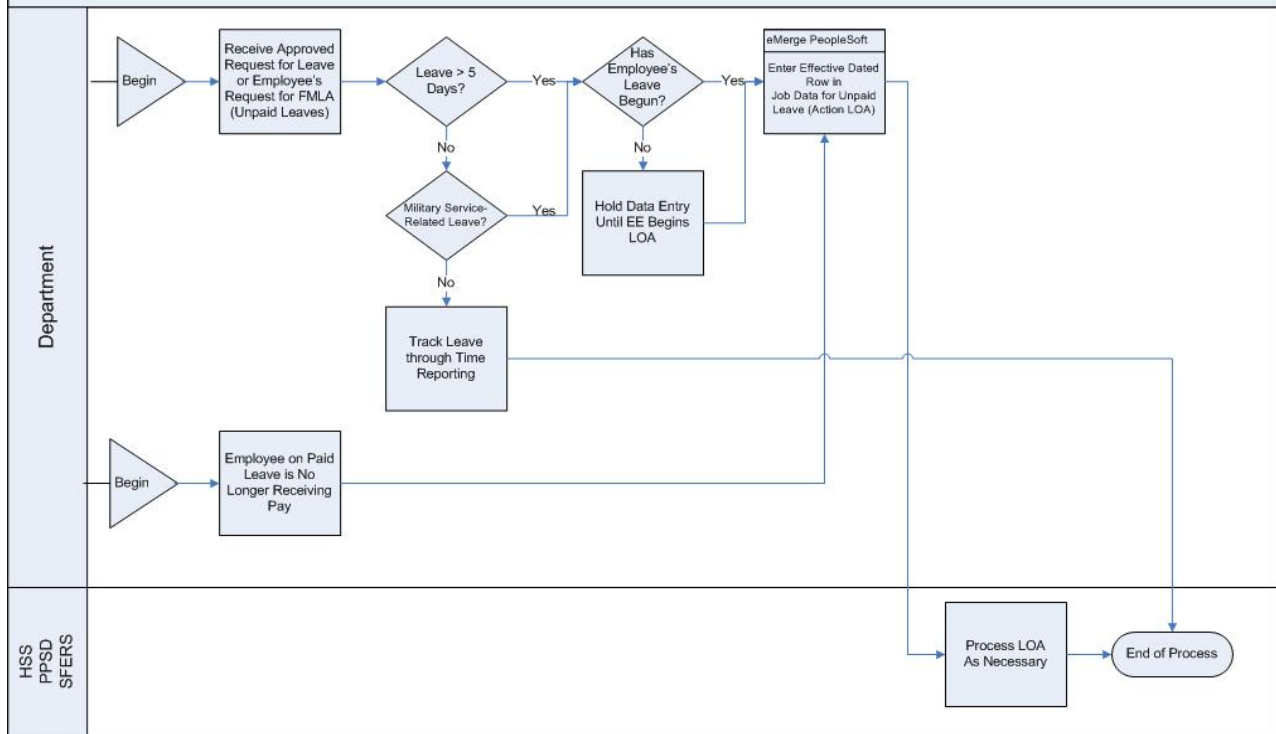
**Flow chart.** The process flow diagrams on the following page illustrate the steps followed to process unpaid and paid leaves of absence in People & Pay.

For more information on leave procedures, please visit [sfdhr.org/employee-leaves](https://sfdhr.org/employee-leaves) or contact DHR's Leave Manager at (415) 557-4800.

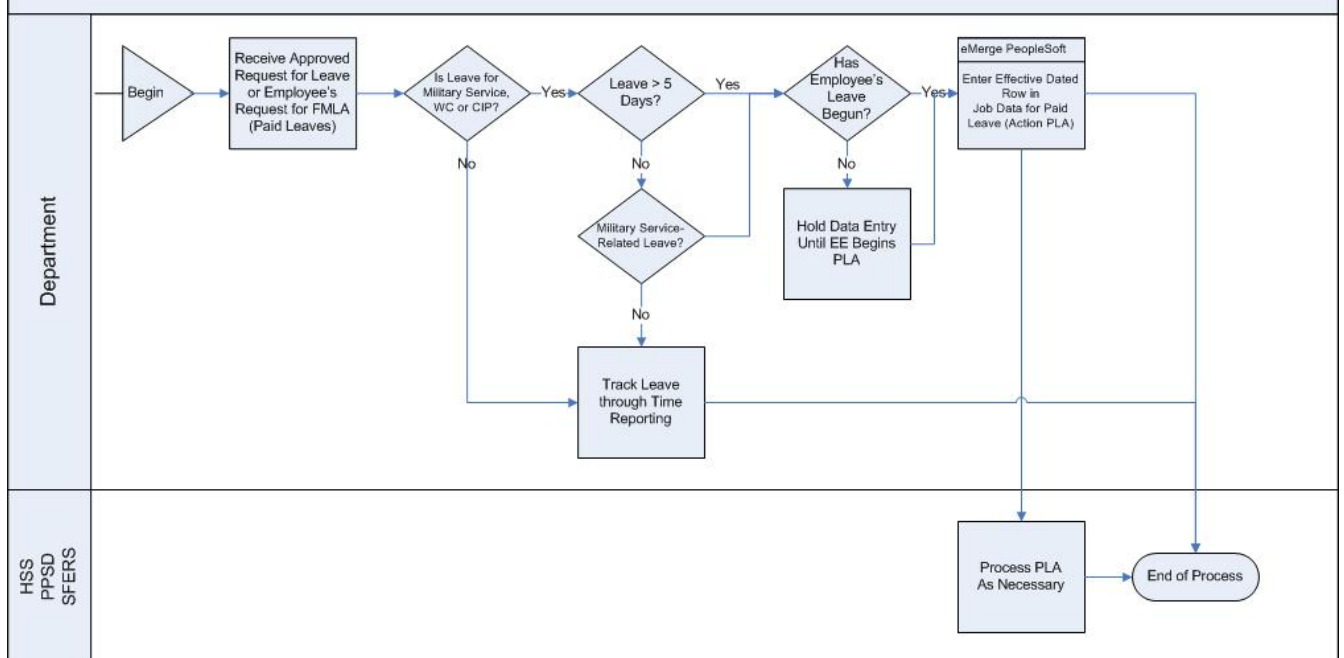


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## Unpaid Leaves of Absence



## Paid Leaves of Absence





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**Extending a leave of absence.** People & Pay's Action Reason DTA/EXT *Data Change/Extension of Leave of Absence* is used to track the extension of an employee's leave of absence. Employees submit a DHR *Request for Leave* form (FMLA 1C), or if under Family and Medical Leave Act, a *Request for Extension* form, along with applicable supporting records. Departments review and approve employee requests for extension as outlined in the applicable bargaining unit Memorandum of Understanding (MOU) and the Civil Service Commission (CSC) Rules. Once approved, departments add an effective dated row in the employee's Job Data record to extend the employee's current leave of absence. The effective date of the DTA/EXT transaction should match the employee's most recent expected return date prior to the extension request.

The use of DTA/EXT is limited to extending an employee's existing request for the same type of leave. If an employee wishes to extend the current leave of absence under a different type of leave, refer to the section on leaves of absence in the UPK outline to identify the appropriate leave Action and Action Reason to enter the employee's request.

The following People & Pay report summarizes leave of absence extensions:

*MRG\_HR\_EMPLOYEES\_ON\_LEAVE- EE's on Paid and Unpaid LOA*

**Returning an employee from leave.** Use the People & Pay Action Reason RFL/RFL: *Return from Leave/Return from Leave* to enter a row in an employee's Job Data record when the employee returns to work from a leave of absence. Data entry of RFL/RFL is triggered upon confirmation that the employee has returned to work from a leave.

Employees returning from sick leave or Family and Medical Leave (FMLA) due to their own serious health condition submit certifications from their health care provider certifying they are fit to return to duty. Employees also submit amended request forms if their return date is earlier than anticipated.

Departments must verify that the employee has completed the leave before entering the RFL/RFL row in the employee's Job Data record. As with data entry of leaves of absence, departments should never enter future dated rows for an employee's return from leave, due to the impact of the data entry on an employee's Payroll Status. Entering the RFL/RFL row in an employee's record will update the employee's Payroll Status to "Active," and pay can be processed again for employees who were on unpaid leave of absence effective the same date as the return of the employee from leave.



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### 4.3.5 Catastrophic Illness

**Overview.** The Catastrophic Illness (Cat III) program authorizes the transfer of sick leave and vacation credits from healthy employees to catastrophically ill employees, and also authorizes the transfer of vacation credits to individual employees with catastrophically ill family members. Employees can donate either to a specific employee or to the City's Cat III donation pool.

**Procedure.** Cat III applications from employees are reviewed by the Department of Human Resources (HRD). Approved applications are forwarded to the Payroll Division. The Payroll Division uses an Access database to track Cat III balances for donated and used hours.

At the beginning of each pay cycle, employee data including City and County of San Francisco (CCSF) or San Francisco Superior Courts (Courts) employee ID and leave balances is imported into the Cat III Access database. During the pay period, the Payroll Division makes entries and allocations to the Access database as necessary and exports the adjustment file to People & Pay.

Employees who wish to donate leave to someone suffering from a catastrophic illness:

- Must maintain a minimum sick leave balance of 64 hours
- May transfer a maximum of 160 hours per pay period of which no more than 80 hours per employee are to be used.
- May transfer a maximum of 480 hours per fiscal year
- Complete the *Donor's Vacation/Sick Pay Transfer Form for Catastrophically Ill Employee* to transfer hours to a catastrophically ill employee
- Complete the *Donor's Vacation Transfer Form For Catastrophically Ill Family Member* to transfer hours to an employee with a catastrophically ill family member

The Payroll Division receives donations for the approved employee and maintains a pool of donated hours that are allocated during each pay period.

When the approved request to transfer hours is received in the Payroll Division, Adjustment Unit staff will update the Cat III access database, and process the time so that the balances are adjusted. Hours are deducted from the donor's sick and/or vacation leave balance and added to the recipient's Cat III balance. The daily absence calculation process adjusts donor and recipient leave balances. The basic process is as follows:

- Catastrophic illness applications from employees are reviewed by the Department of Human Resources (DHR).



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- Approved applications are forwarded to the Payroll Division.
- The Payroll Division maintains the catastrophic illness database and tracks the donated and used hours.
- The Payroll Division receives donations for the approved employee and creates adjustments to debit the donor's balance and credit the recipient's balance.
- The Payroll Division maintains a pool of donated hours that are allocated during each pay period.
- Sick pay hours awarded to catastrophic illness employees are added to that employee's Cat III balance.

### 4.4 Troubleshooting Time Entry Errors in People & Pay

**Overview.** This section outlines how the Payroll Division and time interface departments modify time data and absence data in People & Pay for data interfaced from department time entry systems. The Payroll Division and time interface department users update the People & Pay timesheet only after the inbound time interfaces have been finalized. Once the finalized inbound time interface is submitted to People & Pay for a pay period, any identified errors or omissions must be updated manually on the People & Pay Timesheet page to ensure they are processed in the current pay period. The same updates must also be applied manually in the source time entry system to preserve data integrity across the systems. Time data modified on the People & Pay timesheet will not update a time interface department's source time entry system.

#### 4.4.1 *Performing Quality Control on Reported Time and Absence Data*

People & Pay maintains employee leave balances, except compensatory plan balances (see the following paragraph) and displays them on the People & Pay timesheet. The current leave balances reflect entitlements at the end of the last pay period less any takes reported and processed overnight since the beginning of the pay period.

Compensatory time balances are comprised of Compensatory Time, Holiday in-lieu, and Municipal Executives' Association (MEA) Administrative (Admin) Leave. These balances are maintained by People & Pay and can be viewed on the timesheet under the Leave/Compensatory Time tab and in the Compensatory Time page.

Each pay period, department payroll/personnel staff must review the data in their local time entry system (if applicable) and People & Pay to ensure that time has posted correctly. Department payroll supervisors shall review a small sample set of at least 10% of the time



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entries and associated documentation, as well as all (100%) of time entries with system warnings. Necessary corrections shall be performed by department payroll/personnel staff prior to final approval.

### **4.4.2 Updating Specific Items**

The Payroll Division and Time Interface Departments use the Time Interface Status page to review details of the interface. There is one status page for each inbound interface run. Use the status page to view the status of the interface (accepted or rejected) and the numbers of accepted and rejected transactions. See the "Manage TL Inbound Interface Error Page" section in the UPK outline to see details of the rejected transactions and to determine resolution of the errors.

Types of errors that prevent an employee's time data and absence data from interfacing to People & Pay include:

- Employee set up:
  - Not entered as a person in People & Pay
  - No job data in People & Pay
  - Not enrolled as a Time Reporter in People & Pay
  - Not enrolled into absence plans in People & Pay
- Missing or invalid data that creates a High Severity Exception:
  - Time reporting codes are not in People & Pay or in employee's workgroup
  - Invalid shift code
  - Invalid assignment code(s)
  - Reported override rate is 5% more than the employee's regular compensation rate
  - Invalid Job Code
  - Invalid Combination Code
  - Invalid Project
  - Invalid Activity



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- Invalid Department User Code
- Invalid Salary Step
- Invalid time frame:
  - Time reported for a prior pay period
  - Time reported for a future pay period

When an employee is listed on the Manage TL Inbound Interface Error Page, it means that his or her time did not interface to the People & Pay timesheet. Department payroll/personnel staff must then complete the following steps:

- Review errors.
- Work with the department's human resources counterpart to verify and enter any missing employee person or job data.
- Verify the employee is enrolled as time reporter. If not, enroll the employee.
- Verify the employee is enrolled into compensatory plans. If not, enroll the employee.
- Verify the employee is enrolled in absence plans. If not, enroll the employee.
- Review missing or invalid data errors to determine if interface data or if People & Pay is incorrect.
- When People & Pay is incorrect: work with the Systems Division and Payroll to add missing configuration in People & Pay.
- When the interface data is incorrect, work with the Systems Division Payroll Support to resolve any interface data errors.

In all instances where an employee's time did not interface, department payroll/personnel staff must manually enter time for the employee into the People & Pay timesheet.

After time has been interfaced or entered into People & Pay and a specific item must be updated, departments can follow the UPK instructions to complete the following:

- Update hours
- Update time reporting code





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- Update shift
- Update performance based incentive and special pay code
- Add performance based incentive and special pay code
- Update override rate
- Update job code
- Update step
- Update project and project activity
- Update combination code
- Update user code
- Submit time
- Delete a row of time
- Delete hours
- Add unpaid hours
- Add compensatory time earned
- Add compensatory time pay
- Add absence event

### **4.4.3 Adjustments to Correct Pay**

The Payroll Division Adjustments Unit can process corrections to under-reported time worked. Departments have until noon on Wednesday of Production Week to make any corrections on employees' timesheets in People & Pay. After that time, to make corrections, departments need to submit a *Problem Description Form* (PDF) to the Payroll Division requesting adjustments to pay. A *PDF* must be submitted in a timely manner from the department so the Payroll Division can process an off cycle ACH payment to correct the under-payment to the employee. To ensure employees receive their pay on Tuesday payday, the Payroll Division must be notified no later than 10:00 AM on the preceding Friday.



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### 4.5 Off-Cycle Pay Processing

No pay adjustments are allowed to be made in People & Pay to closed pay periods; as a result, the Payroll Division must process pay outside of the regular pay process. Off-cycle payroll processing refers to when the Payroll Division enters data in People & Pay to create pay for one or more employees outside the normally scheduled (on-cycle) payroll run for that pay group. The Payroll Division uses People & Pay to create off-cycle payments without loading time data or absence data from the timesheet.

Off-cycle processing is used for any adjustment to pay from an already-closed (prior) pay period and to create pay for employees outside of the regular payroll process. Earnings information is entered directly into pay sheets onto pay lines to compensate employees. These transactions may pertain to more than one prior pay period, but the net difference of the adjustment (across all eligible periods) is applied to the current period.

Off-cycle payroll processing is used to create pay for employees under the following circumstances:

- Non-payments
- Terminated employees
- New hires that were not entered into the system in time for the last on-cycle payroll run
- Employees who received incorrect payment during a normal payroll
- Under-payments
- Retroactive payments
- Symbol changes
- Disability payments
- Workers' Compensation/State Disability Insurance (SDI) supplementation
- Calendar year-end (CYE) adjustment pay run
- Lump sum payouts
- Severance payout
- Payroll processing errors



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Departments request an off-cycle pay adjustment by submitting a *PDF*. Refer to Section 7 for instructions on completing and submitting a *PDF*.

### 4.6 Time Entry and Payroll Reports

Departments can utilize and generate numerous time entry and payroll reports and related queries in People & Pay. The Systems Division uses the following naming convention for queries:

- 1 All queries written by the Systems Division begin with MRG.
- 2 The second segment of the name identifies the People & Pay module:
  - Human Resources (HR)
  - Absence Management (AM)
  - Time and Labor (TL)
  - Payroll (PY)
- 3 The remaining portion of the query name is used to identify what the query does.

Example: MRG\_AM\_BAL\_BY\_EMPL is an Absence Management query, written by the Systems Division, that lists absence balances for an employee.



## SECTION 5: EMPLOYEE PAY PROCEDURES

### Purpose

City and County of San Francisco (CCSF) employees may access their pay information, either electronically or in printed form. This section includes instructions for:

- Electronically accessing employee pay information
- Direct Deposit enrollment/authorization, changes and related information
- Warrant Recipient Designation
- Verifications of employment and/or income
- Replacement of lost or destroyed paychecks
- Return of undeliverable pay or pay cards
- Payoff request

The step-by-step employee pay data entry procedures are provided by the People & Pay User Productivity Kit (UPK) online training materials. Please go to the **User Support tab of the SF Employee Portal**, then click the link for '**UPK for City Departments**'.

### Policy

Consistent with the Mayor's Office *CurrenC SF* Initiative ([www.currencsf.org](http://www.currencsf.org)), and in support of the Department of the Environment's goal of zero waste, paper payroll checks for all employees have been eliminated. All employees are strongly encouraged to enroll in direct deposit for their pay and electronically access their employee pay information. For employees who do not have an account with a financial institution on file, the City and County of San Francisco will issue a U.S. Bank Focus Pay Card.

### 5.1 Electronically Accessing Employee Pay Information

The CCSF operates on a biweekly pay period cycle. Pay is distributed and electronic funds are available on the second Tuesday following the close of the two-week pay period (payday). On the Mondays prior to payday, all CCSF employees — whether they use direct deposit or receive a U.S. Bank Focus Pay Card — can access their paystub information online. Employees can



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view their pay information by using the CCSF ePayroll (<http://www.sfgov.org/paystub>) service. This site provides secure access for employees to view their payroll information and manage their accounts. The system is accessible 24/7 and maintains up to three years of pay information. Below is a screen shot of the CCSF ePayroll service:



Employees must use their CCSF Employee ID number (same as their Disaster Service Worker number) to log into this site and manage their account.

The Controller's Office home page includes a link to the following CCSF ePayroll information ([www.sfcontroller.org/index.aspx?page=460](http://www.sfcontroller.org/index.aspx?page=460)):

- *Quick Start Users' Guide* with instructions for logging in, setting security questions, viewing current/historical paystub information, printing paystubs, and comparing up to four pay periods of pay history. This guide also provides user support information available by phone and online.
- *Frequently Asked Questions (FAQs)* with answers to some common questions that CCSF employees ask about ePayroll.
- *Using ePayroll by Phone* with instructions for how employees can access their pay information over the phone, or get a copy of their pay advice sent to a fax machine.
- *Direct Deposit Authorization Form* which authorizes employees' pay to be electronically deposited into designated accounts.



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Employees seeking personal assistance with ePayroll should call the toll-free number **(866) 314-3729** on weekdays from 6 AM – 6 PM when live customer service representatives are available. Employees who have access to the self-service feature in People & Pay can access their pay information through the SF Employee Portal as well. Employees seeking assistance with the portal should contact SF Employee Portal Support at (415) 944-2442 or [SFEmployeePortalSupport@sfgov.org](mailto:SFEmployeePortalSupport@sfgov.org).

Refer to the Appendix for an explanation of the earnings, deductions, and tax codes that may appear on employee paystubs.

### 5.2 Direct Deposit

CCSF employees may designate up to four (4) bank accounts (including a U.S. Bank Focus Pay Card) into which their pay can be electronically deposited. To enroll an employee in direct deposit, department payroll/personnel staff will:

1. Provide the employee with a *Direct Deposit Authorization Form* (available through the SF Employee Gateway User Support Knowledge Center), where he/she can specify up to four (4) accounts into which pay will be automatically deposited.
2. Receive the completed form with voided check(s), bank statement, and/or bank letter for the various bank accounts to be used for direct deposit.
3. Retain a copy of the completed form for the department's payroll files, and submit the original form and attached voided check(s), bank statement, and/or bank letter to the Payroll Division.
4. Inform the employee of the following:
  - a Their authority remains in effect until they file a change authorization, cancellation, or upon termination of employment;
  - b They must submit a new *Direct Deposit Authorization Form* at least two weeks before closing any of the accounts designated to avoid any delays in pay. Otherwise, the employee may experience a delay of ten (10) business before receiving their pay.

After receiving the employee's completed *Direct Deposit Authorization Form* with necessary documents, the Payroll Division Deductions Unit uses the People & Pay Request Direct Deposit page to record employees' direct deposit preferences. The main direct deposit account is called the net pay balance account; it receives the amount of pay remaining after all other direct



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deposits are made into the other flat dollar amount accounts. Up to three (3) other fixed amount deposit accounts can be created to receive a specific dollar amount.

Employees are responsible for submitting to their department payroll/personnel staff an updated *Direct Deposit Authorization Form* when they want to make changes to banking information or to cancel direct deposit. When the Payroll Division receives the cancellation request form, it inactivates (or deletes) an employee's direct deposit, including all associated bank accounts. The Payroll Division also inactivates direct deposit accounts when notified by the bank that the account is closed.

NOTE: Once an employee's payroll has been processed into their bank account, constructive receipt has occurred. Section 451(a) of the Code and section 1.451-1(a) of the regulations provide that under the cash receipts and disbursements method of accounting, an item of gross income is includible in gross income for the taxable year in which the taxpayer actually or constructively receives it. Section 1.451-2(a) of the regulation further provides that income is constructively received when an amount is credited to an employee's account or made available to them without restriction. An employee does not need to have possession of it. If an employee authorizes someone to be their agent and receive income for them, they are considered to have received it when their agent receives it. Income is not constructively received if the employee's control of its receipt is subject to substantial restrictions or limitations (See IRS Publication 538). At that point, any payroll overpayment cannot be debited from an employee's bank account. Departments must follow the Repayment Procedure in Section 7: Pay Adjustment Procedures.

All new *Direct Deposit Authorization Forms* must be received/time stamped no later than 10am at the Controller's Office Payroll Division on production Wednesdays. This allows the Deduction Unit sufficient time to process into People & Pay for the payroll cycle that closes the next day. For any new employee who has not submitted a *Direct Deposit Authorization Form* by the production Wednesday deadline will automatically be enrolled and issued a U.S. Bank Focus Pay Card. Also, any employee who closes their net pay balance account with their financial institution but does not submit a new form with updated information by the deadline will receive a U.S. Bank Focus Pay Card.

### **5.2.1 U.S. Bank Focus Pay Card**

If an employee does not submit a Direct Deposit Authorization Form or chooses not to have a direct deposit account set up with a financial institution, the employee will be issued a U.S. Bank Focus Pay Card.

Occasionally, an employee may need assistance with their U.S. Bank Focus Pay Card account. The following are two common issues and the steps the employee will need to take to correct the problem.



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*A cardholder loses their passcode and cannot activate their card:*

1. Have cardholder call Customer Service at 877-474-0010
2. Have cardholder select # after each prompt to talk to Representative
3. Representative will verify identity of cardholder. May verify the following:
  - a. 16-digit card number
  - b. Zip code
  - c. Address
  - d. Phone Number (if applicable)
4. Cardholder states lost passcode
5. Representative will reset passcode and tell cardholder new passcode
6. Cardholder will have to call into the IVR at 877-474-0010 or go to the online website at [www.usbankfocus.com](http://www.usbankfocus.com) to activate their card.

*A cardholder loses or throws away card and needs a reissued card:*

1. Have cardholder call Customer Service at 877-474-0010
2. Have cardholder select # after each prompt to talk to Representative
3. Representative will verify identity of cardholder. May verify the following:
  - a. 16-digit card number
  - b. Zip code
  - c. Address
  - d. Phone Number (if applicable)
4. Cardholder states lost card and needs new card issued
5. Representative will verify mailing address and note card will be delivered 7-10 business days. Employees can request to have a new card expedited. The U.S. Bank representative will inform the employee of additional fees associated with that option.

### **5.3 Check Replacement**

***For procedures on how to reverse (and reissue) pay, or return undeliverable pay card, please refer to Section 7.***

#### **5.3.1 Lost Check Replacement**

If an employee was paid correctly but has a lost, stolen, or destroyed paycheck, department payroll/personnel staff follows these steps to reissue a replacement payment:

1. Ask the employee for identification.
2. Complete a *Request for Replacement of Lost or Destroyed Warrant or Affidavit Form*.





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3. Have the employee sign the form in the presence of a department payroll/personnel staff.
4. Have the Appointing Officer or designee sign the form.
5. Log into People & Pay and print a copy of the *Payroll Register*, and attach it to the *Affidavit*.
6. Submit the *Affidavit* and *Payroll Register* to the Payroll Division via inter-office mail or by dropping it off at One South Van Ness, 8th Floor.
7. The Payroll Division will review the *Affidavit* and *Payroll Register* and verify with the Controller's Accounting Operations Division whether the paycheck has been cashed.
8. If the paycheck has not been cashed, the Payroll Division will request a stop payment on the check and release a replacement payment at least seven (7) business days of receiving the *Affidavit*.
9. If the paycheck has been cashed, the Payroll Division will notify department payroll/personnel staff, which must then go to City Hall, Room 396 for additional assistance. Room 396 will provide a copy of the cashed check in question. If the check was illegally cashed, the employee must go to the Treasurer's Office to file a forgery claim in-person before further action can be taken.

### **5.3.2 Stale Dated Check Replacement**

CCSF paychecks ("warrants") are valid up to 60 days from the date of issue. Warrants that have not been cashed that are older than 60 days become "stale" warrants.

**Warrants between one and four years old.** Warrants that are older than one (1) year but do not exceed four (4) years from date of issue must be processed and replaced by the Payroll Division Adjustments Unit. Complete the following steps:

1. Complete a *PDF*
  - In Part 1, check OTHER and specify "stale dated check"
  - In Part 2, write "failed to cash the attached check (#)"
  - In Part 3, write "please reissue payment with this amount"
2. Send the completed *PDF* with stale dated check attached to the Payroll Division Adjustments Unit, One South Van Ness Avenue, 8<sup>th</sup> Floor.



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**Warrants older than four years.** Warrants that are older than four (4) years from the date of issue are to be sent by the payee's payroll department to the Controller's Office, City Hall, Room 396, attaching a completed and signed *Request for Replacement of Lost or Destroyed Warrant or Affidavit Form*. The Controller's Office will document and research these checks, and then submit them to the Board of Supervisors for approval for reissue. The Payroll Division does not usually act for the department in these cases. (Exception: if a warrant older than four years is less than \$100, the check can be canceled and reissued without Board of Supervisors approval.)

### 5.4 Warrant Recipient Designation

All employees are required to fill out DHR's *Warrant Recipient Designation Form* to designate someone to receive any payroll money owed to them at the time of their death, in accordance with Section 18.7.1 of the Administrative Code. Without this designation, the release of employee pay is delayed for at least 45 days due to probate. All employees must complete the Designation Form, even if they do not wish to designate anyone.

The *Warrant Recipient Designation Form* is a legal document. The original form must be filed in the employee's personnel folder, processed in People & Pay, and forwarded to the Payroll Division in the event of the employee's death, even if the employee did not name a designee. If an employee changes his or her designee, the *Warrant Recipient Designation Form* with the most recent date is required in order to release any employee pay. Employees may only designate one warrant recipient. Complete the following steps:

1. Obtain a copy of the *Warrant Recipient Designation Form* from DHR.
2. Have all new hires fill out a *Warrant Recipient Designation Form*. If a new hire holds multiple positions, make sure the employee has not already filled out the form at another location.
3. If an existing employee wants to change his or her designee, have the employee fill out a new *Warrant Recipient Designation Form*.
4. Before the employee fills out the form, inform the employee that no changes (erasures, cross-outs, etc.) are allowed to the designee information in Section 2 or to the date they write on the form. This is to ensure that there will be no question that the form has been altered.
5. After the employee has completed the *Warrant Recipient Designation Form*, verify that the form has been filled out correctly. For a new hire, either "new designation" or "declines to designate a designee" must be checked. For a change to an existing



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employee's designation, "replaces previous designation" and/or "declines to designate" must be checked.

6. If any information in Section 2 has been crossed-out or changed, ask the employee to fill out a new form.
7. Check that the form is signed and dated. If the date is crossed-out or changed, ask the employee to fill out a new form.
8. File the *Warrant Recipient Designation Form* in the employee's official personnel folder.

Departments collect and update warrant recipient information and enter it into the People & Pay system. This information is usually collected at the time of hire, but an employee may choose to change their warrant recipient at any time by submitting a new *Warrant Recipient Designation Form*.

Employees who do not have a spouse or a registered domestic partner may designate a person for whom the employee may use paid sick leave to provide aid or care. Employees may update their sick leave designations only during the annual Sick Leave Designation Open Enrollment period. The Department of Human Resources coordinates the open enrollment period, but departments enter the data in People & Pay. Employees may identify only one sick leave designee.

### 5.5 Employment and Income Verification

Employment and income verifications are typically required when a person applies for a loan or public aid, leases an apartment, updates their immigration status, or applies for a job. For employment or income verification of current employees, the City and County uses an automated service called *The Work Number*. This fast, secure service is used by lenders, property managers, pre-employment screeners, social service agencies, and others who need to verify someone's employment status and, sometimes, his or her income.

All employment and income verification requests should be directed to *The Work Number* at <http://www.theworknumber.com/> or by calling (800) 367-5690. The City and County of San Francisco's Employer Code is **11403**.

Employees and verifiers will need to provide the following:

- The employee's Social Security Number
- City and County of San Francisco Employer Code: 11403



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- A Salary Key - this is a six-digit code that employees can set up in advance with The Work Number. By creating and providing the verifier the Salary Key, employees allow the verifier one-time access to their salary information.

To obtain a Salary Key, employees must complete the following steps:

- 1 Access The Work Number Options for Employees ([www.theworknumber.com](http://www.theworknumber.com) or (800367-5690).
- 2 Enter the Employer Code: 11403.
- 3 Select "I want to provide proof of employment and income."
- 4 Enter the Employee ID number (same as Disaster Service Worker number) and Employee PIN (same as ePayroll PIN).
- 5 Select "Prove your employment with a Salary Key."
- 6 Select "Create a Salary Key" and prepare to write down the six-digit number.



## SECTION 6: DEDUCTION PROCEDURES

### Purpose

This section includes guidance for processing both mandatory and voluntary deductions from an employee's pay, including:

- Federal (W-4) and state (DE 4) tax withholdings
- Garnishments
- Employee benefits (e.g., commuter, health, and parking)
- Deferred compensation
- General deductions (e.g., charitable deductions, and union dues)

If an employee's gross pay is correct, but the net pay is wrong due to an incorrect mandatory, voluntary, or tax deduction, fill out the *Problem Description Form* to make the necessary adjustments. Please go to Section 7 for this procedure.

### Policy

The Payroll Division will honor requests for deductions submitted by the employee or authorized government entity to deduct amounts from employee pay each pay period.

#### 6.1 Federal and State Tax Withholdings (IRS Form *W-4* and State Form *DE 4*)

***Please refer to Section 3.2.1 W-4 and DE 4 for New Hires for information about how to process tax withholdings for new hires and re-hires.***

To ensure that the City and County of San Francisco (CCSF) withholds the correct federal and state income tax from employees' earnings, employees must complete IRS Form *W-4* and State Form *DE 4*. Because federal tax brackets and withholding methods do not reflect state withholding tables, both forms must be completed and returned by employees. If a completed Form *W-4* and/or *DE 4* is not submitted, the employee will be taxed as single with no withholding allowances.



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Employees are also encouraged to consider completing a new Form W-4 each year, and/or when there are any changes in their personal or financial situation. These forms are available in fillable PDF format on the SF Employee Portal User Support Knowledge Center. Additional information about Form W-4 is available at [www.irs.gov/w4](http://www.irs.gov/w4). Neither the Payroll Division nor department payroll/personnel staff may legally provide any tax advice to employees. Employees should seek advice from their accountant or attorney. Department payroll staff can also refer the employee to IRS Publication 505, *Tax Withholding and Estimated Tax*. It provides an explanation on withholding rules for salaries and wages, supplemental wages, taxable fringe benefits and information regarding exempt status.

Completed *W-4s* and *DE 4s* must be reviewed and submitted to the Payroll Division by department payroll/personnel staff, as the Payroll Division does not accept forms directly from employees. Incomplete forms will be returned to department payroll/personnel staff for correction. It is important to note that the employee name used on the tax forms must be the exact name that is on the employee's Social Security card.

### **6.1.1 Changing Employee Tax Information**

The Payroll Division Tax Unit can either correct or add/update employee tax information.

Correction mode (as opposed to add/update) is used to change the employee record under the following conditions:

- Employee is a new hire or re-hire.
- The Payroll Division receives the federal form W-4 from the employee indicating the employee does not claim 'Single,' '0' (zero).
- The paperwork received by the Payroll Division is for the initial tax data setting for the employee and is not 'Single,' '0' (zero).
- Payroll for that pay period has not yet processed/confirmed.

Employees can change their tax status at any time. The Payroll Division makes changes within 30 days of receipt of a *W-4* or *DE 4* form. The Payroll Division Tax Unit creates a new effective dated row under the following conditions:

- The Payroll Division Tax Unit receives an updated tax form from the employee (not a new hire or re-hire) that updates the existing setting that has been in place for more than the first pay period of employment.



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- The Internal Revenue Service (IRS) or Franchise Tax Board (FTB) contacts the Payroll Division directly regarding mandated changes to employee tax data. This is usually documented in a *Letter of Determination*.

### **6.1.2 W-4 for Current Employees**

Before a current employee fills out a new tax form:

1. Obtain a photocopy of the Social Security card from the employee's personnel folder. If there is no previous copy of the card in the personnel folder, ask the employee for their card, copy it, write today's date on the copy, and retain it in the employee's personnel folder. If the employee does not have their Social Security card, explain that you cannot process a tax form without verifying the name on the card, and ask the employee to return with the card.
2. Ask the employee if the name on the Social Security card is correct. Explain that the name on the tax form must match the name on the Social Security card exactly. If the names do not match exactly, the employee must change their name with the Social Security Administration and obtain a new card before filling out the tax form.

When a completed IRS Form *W-4* is received from an employee:

1. Verify that the name and Social Security number on the form match exactly to what is typed on the Social Security card. If there is an error in the name or number, or if the number is not legible, have the employee complete a new form.
2. Verify that the name and home address in Box 1 have been filled in completely and that they match the official record in People & Pay.
3. Verify that the rest of the information on the form is filled in correctly.
4. Write your department three letter code in Box 9.
5. Verify that the form has been signed and dated.
6. Forward the original *W-4* to the Payroll Division for processing and make a copy for your file.

### **6.1.3 DE 4 for Current Employees**

When you receive a completed State Form *DE 4* from an employee:



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1. Verify that the name and Social Security number on the form match exactly what appears on the Social Security card. If there is an error in the name or number, or if the number is not legible, have the employee complete a new form.
2. Verify that the name and home address have been filled in completely and that they match the official record in People & Pay.
3. Verify that the rest of the information on the form is filled in correctly.
4. Verify that a *Filing Status Withholding Allowances* box is checked.
5. Verify that Line 1 is filled in (Line 2 may also be filled in, but is not required)
6. Verify that the form has been signed and dated.
7. Forward the original *DE 4* to the Payroll Division for processing and make a copy for your file.

### 6.2 Garnishments

The City and County of San Francisco (CCSF) is responsible for responding to and enforcing federal and state orders to collect debts and other obligations that are owed by employees. Wage garnishments are instructions to withhold certain amounts from the earnings of specified employees and to pay these amounts to designated individuals, organizations or entities. Garnishments are generally ordered by courts and by federal or state tax agencies. The garnishment process is triggered by one or more of the following notifications:

- Court order to withhold income for support  
(e.g., a family court order for child support, dependent support, or spousal support)
- Federal tax levy issued by U.S. Internal Revenue Service
- State tax levy issued by CA Franchise Tax Board
- Court order to withhold income for payment of debt
- Vehicle registration fee collection
- Bankruptcy order (Chapter 13)
- Student loan repayment
- Writ of Garnishment - Typical garnishment type for failure to pay





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- Wage Assignment - Similar to a writ, signifying a failure to pay (for example, a Social Security administrative wage assignment)
- Creditor or private collection agency

All garnishment orders for CCSF employees are processed centrally by the Payroll Division, with some support from department payroll/personnel staff. The Payroll Division enforces garnishment orders by recording garnishment orders into People & Pay as they are received. Garnishments and other wage withholding orders are processed in People & Pay and withheld amounts are sent to garnishment recipients on a biweekly basis.

If an employee has an active garnishment at the time he or she leaves CCSF employment, the garnishment will remain valid until it reaches its expiration date or the garnishing agency releases it. If it has no expiration date and the CCSF is not notified of its release, it will remain valid indefinitely. If the former employee receives wages from CCSF in the future (by returning to CCSF employment or receiving retroactive wages), the wages will be garnished.

The following table lists each type of garnishment order an employee may have against his or her wages and their corresponding duration and priority. When an employee has more than one garnishment order, allowable garnishment amounts are deducted in the order of priority listed.

Types of Garnishment	Duration	Priority
Court order assigning wages for current child or spousal support	Remains in effect until released by the court.	1
Court order assigning wages for child or spousal support arrearages	Remains in effect until a release of levy is issued or goal is met (whichever is earlier).	1
Bankruptcy order	Remains in effect until released by trustee.	2
IRS tax levy	Remains in effect until a release of levy is issued or goal is met.	3
Franchise Tax Board tax levy	Remains in effect until a release of levy is issued or goal is met. If employee leaves City employment, remains in effect no longer than one year after the employee leaves.	4



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Types of Garnishment	Duration	Priority
Earnings Withholding Order/Wage Garnishment from Sheriff's Department	Remains in effect until goal is met or two years from the date received by the Payroll Division (whichever is earlier).	5

Copies of all garnishment orders received by the Payroll Division are sent via sealed envelope to the appropriate departments. Department payroll/personnel staff are to distribute these orders **immediately** and in the same manner they distribute pay cards or other confidential employee information. To maintain confidentiality, employees should contact the Payroll Division's Deduction Unit directly at (415) 701-3400 for any garnishment-related questions.

### 6.2.1 Questions About Garnishments

Occasionally, creditors may call department payroll/personnel staff with questions about garnishing an employee's pay. Most often, these questions relate to *Earnings Withholding Orders*, which are processed as follows:

1. The creditor serves a Writ obtained from the court. This should be sent to the San Francisco Sheriff's Department for processing at the following location:  
City Hall, Room 456  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102  
(415) 554-7225
2. The Sheriff's Department processes the Writ and sends an *Earnings Withholding Order* to the Payroll Division.
3. The Payroll Division begins garnishment deductions according to the terms of the order.

If a creditor wants information about initiating a garnishment against an employee, or wants to learn the status of an *Earnings Withholding Order*, departments should refer the creditor to the Sheriff's Department at:

City Hall, Room 456  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102  
(415) 554-7225

If a creditor has received the response copy of the *Earnings Withholding Order* and has questions about the amount of the garnishment payment, the date that payments will begin, or



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related concerns, departments should refer the creditor to the Payroll Division's Deduction Unit at (415) 701-3400.

### **6.2.2 Processing Garnishments**

The People & Pay system provides rules-based garnishment processing and voluntary withholding towards government agency debt. The Payroll Division is responsible for enforcing garnishment orders by entering garnishments into People & Pay as they are received and ensuring that withheld amounts are sent to garnishment recipients on a regular basis.

In order to release a garnishment, employees or the garnishing agency must submit to the Payroll Division the proper documents from the agency that imposed the garnishment. Employees or the garnishing agency should mail or FAX their signed release forms to the following:

Controller's Office - CCSF  
Payroll Division Deductions Unit  
One South Van Ness Ave, 8<sup>th</sup> Floor  
San Francisco, CA 94103

FAX: (415) 701-3401  
Attention: Garnishments

For the release to go into effect the next payday, these documents must be received by the Payroll Division at least six business days prior to payday.

### **6.3 Payroll Deduction Authorizations/Cancellations**

This is the process for assigning, updating, and stopping an employee's general deductions. General deductions in the People & Pay system are those deductions that are not benefits-related, including union dues, service fees, voluntary insurance deductions, and charitable deductions. General deductions are set up in People & Pay by the Payroll Division, SFERS, and other central agencies.

The *Payroll Deduction Authorization/Cancellation Form* is used when an employee wants to begin, change, or cancel an automatic deduction from his or her pay. Deduction organizations such as insurance agencies and unions give this form to an employee so that a certain amount of money can be authorized by the employee to be automatically deducted from their pay and sent directly to the organization. The employee returns the completed form to the deducting organization for signature. The deducting organization then forwards the Payroll Deduction Authorization/Cancellation form to the Payroll Division to initiate the deduction in People & Pay.



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When the employee wants to update or cancel this deduction, they must go to the organization and make the change on an updated form, obtain a signature from the deducting organization, and forward it to the Payroll Division.

After completing the form, employees should make a copy of it for their records and send the original to the Payroll Division. It takes two (2) to three (3) pay periods to establish a new deduction authorization or change an existing deduction; it takes one (1) pay period for the cancellation to become effective. If the employee does not notice a change in their pay within that amount of time, he or she should contact department payroll/personnel staff.

NOTE: Payroll deductions for charitable organizations are handled through the Combined Charities Campaign. Employees may designate one or more charitable organizations for automatic payroll deduction. Annually, the City holds a Combined Charities Fundraising Campaign that encourages this voluntary contribution. Department Combined Charities Campaign liaisons will forward these deduction forms to the Payroll Division for processing. Also, involuntary general deductions, such as service fees, are set up by the Payroll Division automatically or initiated by unions without the employee's authorization.

### **6.4 Commuting Benefits**

The commuter benefits program allows employees to deduct money each pay period to purchase monthly public transportation passes (Muni, BART, etc.) and parking on a pre-tax deduction basis up to the annual IRS limit. This deduction is taken before federal or state income tax, FICA, and State Disability Insurance (SDI) taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld. The cost of the passes is deducted from participating employees' pay.

A third party vendor, WageWorks, administers this benefit. For more information on this and other commuter benefit programs available to City employees, contact the Department of the Environment at (415) 355-3727 or email your questions to [CommuteSmart@sfgov.org](mailto:CommuteSmart@sfgov.org) or visit [WageWorks4Me.com/CCSF](http://WageWorks4Me.com/CCSF). Employees with issues regarding their commuter benefits deductions should contact WageWorks Customer Service at (855) 428-0446.

### **6.5 Employees Commuting in City-owned Vehicles**

Employees who use a non-exempt City-owned vehicle for commuting to and from work, whether as a driver or passenger, enjoy a non-cash benefit, the value of which is to be added to their taxable income, per IRS code. It is the responsibility of both drivers and riders each pay period to provide their department payroll/personnel staff with information about each commuting trip they take in a City-owned vehicle.



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### Commuting benefits reports

The value of the commuting benefit each pay period is listed on the employee pay statement as "UNPD BEN" (unpaid benefit). The value of their car use is \$1.50 for each direction in the commute (\$3.00 for each round trip) and must be processed in People & Pay each pay period. This amount is included in wages under "Current Gross." The following deductions are taken from the benefit amount: federal and state taxes, OASDI/HI taxes, State Disability Insurance, and City retirement. NOTE: PERS retirement is not deducted.

Department payroll/personnel staff must notify the Payroll Division of all employees in the department who should be reporting the commuting benefit. If an employee is either a driver or a passenger using a City-owned vehicle to commute, these employees must be reporting their commuting benefit to the Payroll Division. If employees are assigned a vehicle and using it for commuting but are not reporting this benefit, please notify the Payroll Division immediately regarding these employees. Also, please contact the Payroll Division if your department has any questions regarding this process including who qualifies.

## **6.6 Health Benefits**

The City and County of San Francisco offers eligible employees the opportunity to enroll themselves and eligible family members in medical, dental, vision and Flexible Spending Account benefits. Depending on union contract, some active City and Superior Court employees may also be eligible for life insurance or state disability insurance. Enrollment is processed upon the employee's hire, when triggered by changes to life circumstances, or during the annual Open Enrollment period. Payroll deductions for health occur through automatic payroll deduction. Questions regarding health benefits should be referred to SF Health Service System at (415) 554-1750 between 8:00 am and 5:00 pm, Monday through Friday.

## **6.7 Deferred Compensation**

The San Francisco Employees' Retirement System (SFERS) offers active members an opportunity to acquire additional retirement savings intended to supplement pension benefits with voluntary contributions to a Deferred Compensation 457(b) Plan (SFDGP). The SFDGP allows employees to voluntarily invest a portion of their pre- and/or post-tax earnings (up to 61%).

Employees can enroll in the SFDGP by logging onto [www.sfdcp.org](http://www.sfdcp.org) or by contacting the SFDGP Retirement Counselors at (888) 733-2748, Option 2. Employees participating in SFDGP who have questions about their deductions or this benefit can also call this number.



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Department payroll/personnel staff who have deferred compensation related questions for an employee may contact Deferred Compensation at (415) 487-7500.

If an employee in your department goes on CCSF disability or assault pay for half a pay period or a full pay period, and participates in the SFDCP, please refer to Section 8.

Certain employees may be eligible for a lump sum payout of vacation pay, vested sick pay, and wellness pay when they terminate, please refer to Section 9.3.2.

### **6.8 Wage and Tax Statement (W-2)**

Each year the City and County of San Francisco (CCSF) prepares and distributes *W-2, Wage and Tax Statements* to each employee for the purpose of filing tax returns. The Payroll Division generates the *W-2s* in January. *W-2s* are available via a self-service option through the SF Employee Portal or distributed to department payroll/personnel staff by the first pay date in January. Former employees should receive their *W-2s* from their previous departments postmarked no later than January 31<sup>st</sup>.

Requests for reissued *W-2, Wage and Tax Statements* are processed by the Payroll Division's Tax Unit with a *W-2 Reissue Request*. Requests can also be made through the SF Employee Portal. Employees should follow these steps to ensure timely and accurate processing of this form:

1. Fill in the employee's identifying information and complete Sections 3, 4, and 5 of the form.
2. Attach a \$20 payment for each reissued *W-2* needed. Check or money order should be made payable to the City & County of San Francisco. Cash is not accepted.

NOTE: Non-active employees must pay by money order.

3. Department payroll/personnel staff should review the form to ensure that all information is filled out correctly before sending it to the Payroll Division.
4. Submit completed form and required payment and/or supporting records to the Payroll Division, One South Van Ness Avenue, 8th Floor, San Francisco, CA 94103. Attn: Tax Unit.

NOTE: Employees wishing to submit their form to the Payroll Division in person must bring photo identification and have their payment ready.



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Reissue requests are typically processed within two days of the Payroll Division's receipt of all necessary forms and payment.

Departments requesting corrections to an employee's W-2, Tax and Wage Statement must file a *W-2 Correction Request Form*. Correction requests require research by the Payroll Division's Tax Unit to determine the validity of the request and may take up to two pay periods for processing. To complete the form:

1. Fill in the employee's identifying and contact information, indicate whether the correction will be picked up or mailed, the year to be corrected, and the reason for correction.

NOTE: Departments must submit one form per year in need of correction.

2. Department payroll/personnel staff must then sign and date the request and include their contact information.
3. Submit completed form and supporting records to the Payroll Division, One South Van Ness Avenue, 8th Floor, San Francisco, CA 94103. Attn: Tax Unit.

Payroll Division Tax Unit will contact department payroll/personnel staff when the corrected W-2 is ready for the employee to pick up.



## SECTION 7: PAY ADJUSTMENT PROCEDURES

### Purpose

This section describes how department payroll/personnel staff can request pay adjustments after an employee has already been paid. This process requires that departments closely monitor and routinely audit People & Pay payroll reports. When a payroll error has been identified, department payroll/personnel staff must prepare the necessary background documentation, obtain necessary signatures and approvals, and submit the requisite records to the Controller's Payroll Division and, if necessary, other departments. Almost all pay adjustment requests require the *Problem Description Form* (PDF).

### Policy

To ensure that employees are paid accurately, departments must designate responsibility to monitor and audit People & Pay payroll reports.

All department heads must submit and have on file at the Payroll Division a *Department Head Signature Authorization Card* to certify all payroll-related documents. In addition, the department head's designated payroll representatives—including Appointing Officers, Payroll Directors, and other signatories—must be documented using the *Employee Signature Authorization Card*. The *Employee Signature Authorization Card* authorizes different personnel to submit a *PDF*. The Payroll Division will not process a *PDF* without these required signature documents.

Every *PDF* must be submitted to the Payroll Division with a signature and date from the Appointing Officer, and required supporting records.

### 7.1 Review Balances to Identify Necessary Adjustments

Department payroll/personnel staff must closely review and analyze People & Pay payroll reports each pay period to identify whether any employee payroll errors occurred. Numerous reports and queries are available in People & Pay to aid in review activities.

Employee balances recorded in People & Pay are cumulative totals of the various deductions, earnings, and taxes for individual employee pay. If an employee works for more than one civil service entity (City and County of San Francisco "CSF", San Francisco Superior Court "CRT"), People & Pay maintains separate balance records for each company. People & Pay creates a





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new balance record for each pay period, updates all balances when the Pay Confirmation process is run, and maintains monthly, quarterly, and year-to-date (fiscal and calendar) totals.

Department payroll/personnel staff can use the following People & Pay reports to quickly review employee balances:

- Review Employee Earnings Snapshot Report (PAY013)
- Review Employee Earnings Record Report (PAY014)

The following are People & Pay pages that provide more specific and detailed employee balance information.

The **Check Year-to-Date** (YTD) page shows balances for all calendar-years and fiscal-years (from July 1 to June 30) since People & Pay went live on August 31, 2012. Each calendar period displays the totals cumulatively for each month in the calendar. Balances are displayed for:

- Total gross YTD
- Total taxes YTD
- Total deductions YTD
- Net pay YTD

The **Earnings** page (balance review) shows balances for all calendar-years and fiscal-years since People & Pay went live on August 31, 2012. Each calendar period displays the totals cumulatively for each month in the calendar. Balances for each earnings code displayed for:

- Earnings type
- Hours year-to-date (YTD)
- Hours quarter-to-date (QTD)
- Hours month-to-date (MTD)
- Gross earnings year-to-date (YTD)
- Gross earnings quarter-to-date (QTD)
- Gross earnings month-to-date (MTD)



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The **Deduction Balances** page displays totals for each deduction taken from an employee in the month within the calendar or fiscal year selected by:

- Quarter - quarter in the calendar or fiscal year period.
- Period - month
- Benefit Plan Type - type of deduction - can be general, medical, dental, long term disability (LTD), etc.
- Deduction Code and Description - code that represents the specific deduction taken.
- Deduction Class - to identify the tax status of the deduction (A - after tax, B - before tax, N – nontaxable, T - taxable)
- Balance year-to-date (YTD) - balance in the displayed calendar or fiscal year.
- Balance quarter-to-date (QTD) - balance in the displayed quarter based on the annual calendar type.
- Balance month-to-date (MTD) - balance in the displayed month.

The **Taxes** page shows tax balances for all calendar-years and fiscal-years since the implementation of People & Pay or the employee's hire date. Each calendar period displays the totals cumulatively for each month in the calendar. Values display for:

- Quarter
- Period
- Locality
- Tax Balance Class
- Additionally; taxes, taxable gross, and no limit gross amounts display for:
  - Balance year-to-date (YTD)
  - Balance quarter-to-date (QTD)
  - Balance month-to-date (MTD)

It is critical for department payroll/personnel staff to regularly review and reconcile employee balances recorded in People & Pay. If balances in the system are incorrect, departments need



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to request an adjustment from the Payroll Division, which involves submitting the *Problem Description Form* (PDF).

### 7.2 Overview of the Problem Description Form (PDF)

The *Problem Description Form* (PDF) is used to request corrections to payroll issues and to make other payroll-related changes (these primarily involve special pays, which are described in Section 9). Some of the adjustment requests that departments can submit to the Payroll Division using the *PDF* include:

- Correct underpayment, overpayment, or non-payment of wages
- Correct a deduction error or tax error
- Cancel an unauthorized payment
- Return an undeliverable pay card
- Change an incorrect paid-hours code
- Deduct an employee's court compensation for jury duty
- Adjust for the waiting period for an employee who has received Workers' Compensation or State Disability Insurance (SDI) benefits.

After departments complete and submit the *PDF* along with necessary supporting records to the Payroll Division, the Payroll Division will make the necessary adjustment(s), record the action taken under the "Payroll Division Action" portion of the *PDF*, and return a "turnaround" copy of the *PDF* to the department.

After the Payroll Division returns the "turnaround" copy of the *PDF* to the department, **it is the department payroll/personnel staff's responsibility to inform the employee that the issue was corrected and, if the employee's pay was affected, explain how and when the adjustment will be made.** This information will be shown on the "Payroll Division Response" portion of the *PDF*.

When an employee is paid an incorrect amount or pay is recorded to the wrong symbol, either a pay overage or shortage can occur. The adjustment is handled by a department completing and submitting a *PDF* to inform the Payroll Division of the problem and how to correct it. The Payroll Division will process the *PDF* by entering the necessary transaction(s) in People & Pay.



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The following sections explain how department payroll/personnel staff use the *PDF* to request corrections to payroll problems and process specific types of pay-related changes. The procedures that follow cover:

- Non-payment
- Underpayment
- Overpayment
- Deduction errors
- Pay cancel / reissue
- Undeliverable pay card
- Symbol changes
- Retroactive payments
- Jury duty
- Workers' Compensation and Assault Pay adjustments
- State Disability Insurance adjustments
- Vacation / sick pay adjustments.

***For disability-related transaction requests—including Workers' Compensation, Assault Pay, and State Disability Insurance—please refer to Section 8: Disability Procedures.***

### 7.3 Non-Payments

If an authorized payment was not issued to an employee, enter the employee's DSW # and other information and fill out the *PDF* as follows:

#### Type of adjustment required (Part 1)

Select the NON-PAYMENT check box.

#### Briefly specify the problem (Part 2)

1. Write "Employee was not paid" and attach a copy of the *Payroll Register* that shows employee missing.



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2. Give the reason for the non-payment. The following reasons are the usual cause for a non-payment:

- The hours were not posted for an employee
- A new hire was not set up in the People & Pay system in time to be paid
- The employee's status is "on leave" or "terminated".

### Briefly describe the requested action (Part 3)

Specify exactly how the employee should have been paid and calculate the amount of pay due.

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

## 7.4 Underpayments

If there was an underpayment, enter the employee's DSW # and other information and fill out the *PDF* as follows:

### Type of adjustment required

Select the UNDERPAYMENT check box.

### Briefly specify the problem

1. Write the employee's job class, hourly rate, and shift percentage rate (if applicable).
2. Provide the reason why the employee was underpaid. Most (but not all) underpayments are caused by the following reasons:
  - A lower than accurate number of paid hours was reported for an employee
  - A lower than accurate number of hours was reported for a special pay
  - A higher than accurate number of non-paid hours was reported
  - There was a data entry error



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- A lower than accurate pay rate was used; for example, a step increment, acting pay, or supervisory differential pay was missed
  - A lower than accurate shift premium was used.
3. Show how the employee was actually paid by writing out the calculation on Part 2 of the *PDF*.

NOTE: The gross payment amount shown on the *PDF* should match the dollar amount listed on the *Payroll Register*.

### Briefly describe the requested action

1. Specify exactly how the employee should have been paid and calculate the difference.
2. If the under-payment happened because the pay rate or shift premium was wrong, list the correct rate or premium.
3. Calculate the difference between the correct pay and the actual pay and list this difference as the amount to be adjusted.
  - In general, if the under-payment was more than 10% of the employee's normal gross pay period, the Payroll Division will issue an off-cycle ACH payment to correct the problem.
  - In general, if the under-payment was 10% or less than the employee's normal gross pay period, the correction will appear on the employee's next regular pay.

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

## 7.5 Overpayments

Constructive receipt of payroll wages occurs on pay day Tuesday. Therefore, once payroll wages have posted to an employee's bank account or U.S. Bank Focus Pay Card, the City cannot process debit entries. The overpayment process, to include the Repayment Authorization Agreement, must begin to collected overpaid wages.



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If there was an overpayment, enter the employee's DSW # and other information and fill out the *PDF* as follows:

Type of adjustment required

Select the OVERPAYMENT check box.

Briefly specify the problem

1. Write the employee's job class, hourly rate, and shift percentage rate (if applicable).
2. Provide the reason why the employee was over-paid. Most (but not all) overpayments are caused by the following reasons:
  - A higher than accurate number of hours was reported for a paid-hour code
  - A higher than accurate number of hours was reported for a special pay
  - A higher than accurate number of paid hours was typed-in during data entry
  - A lower than accurate number of non-paid hours was reported
  - A higher than accurate pay rate was used
  - A higher than accurate shift premium was used
- 1 Show how the employee was overpaid by writing out the calculation on Part 2 of the *PDF*.

Briefly describe the requested action

1. Specify exactly how the employee should have been paid and calculate the amount of correct pay.
2. If the overpayment happened due to the pay rate or shift premium being incorrect, list the correct rate or premium.



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3. Calculate the difference between the correct pay and the actual pay and list this difference as the amount to be adjusted. There are three (3) types of over-payment calculations. Calculate repayment amounts as stated below and contact the Payroll Division Adjustments Unit to confirm the calculation:
  - Current year, partial overpayment: the employee was partially over-paid in the current calendar year. To calculate the amount to be adjusted, identify the gross over-payment amount and subtract all mandatory tax deductions (OASD, HI, and SDI taxes) and percentage deductions (HTL001, RPT002, UND007, etc.)
  - Current year, whole check overpayment: the employee should not have been paid at all during a pay period, but still received payment. This over-payment occurred in the current calendar year. To calculate the amount to be adjusted, identify the pay. If the employee has garnishments, department payroll/personnel staff may need to increase the amount repaid by the employee. Please contact the Payroll Division Adjustments Unit.
  - Prior year overpayment: the employee was overpaid in a previous calendar year. The amount to be collected in this case is the gross overpayment amount minus OASDI and HI taxes (Note: Department payroll/personnel staff should refer to the Payroll Register to determine whether the employee has already paid the maximum OASDI amount or is not subject to FICA taxes). Employees must either repay the prior year over-payment by: 1) writing a personal check, or 2) setting up an offset (multiple post tax deductions) through the People & Pay.
- 1 For current year overpayments only, contact the employee to determine whether the employee will handle the over-payment through a deduction from the employee's next pay, or by the employee writing a personal check to reimburse the overpayment.
  - If the employee would like to reimburse the over-payment via personal check, the check needs to be payable to and deposited by the department's accounting office. Department payroll/personnel staff must provide the Payroll Division Adjustments Unit a copy of the check, deposit slip, chart field string, and attach them to a *PDF* as supporting documents.
  - If the employee would like to reimburse a current year over-payment via payroll deduction, write "deduct \$[amount of over-payment] from the employee's next pay."
  - For prior year over-payments, the employee must be set up as an offset through People & Pay.

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with





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internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, completed *Repayment Arrangement and Payroll Deduction Authorization Form*, and supporting records to the Payroll Division Adjustments Unit.

### 7.6 Repayments

Repayment agreements are necessary when an employee owes money to a City and County of San Francisco department; for example, the employee owes money from having been overpaid in a prior pay period.

1. Determine how much the employee was overpaid and contact them with the estimate. Discuss how long the employee will need to pay back the amount in full.
2. Email the Payroll Division Adjustments staff at [con.payroll.adjustment\\_unit@sfgov.org](mailto:con.payroll.adjustment_unit@sfgov.org) and include the following:
  - Subject – OVERPAYMENT [Employee Name] [Employee DSW #]
  - Body of email – brief description including if it the overpayment will be repaid during the current calendar year
  - Attachments – Multiple Pay Period Adjustment Worksheet, Payroll Registers, SDI/WC Supplementation Worksheet, if applicable
3. Adjustment Unit will review department figures and either approve the amount or provide a corrected one if needed.
4. Department prepares the repayment agreement, making sure to fill out paragraphs one and two prior to meeting.
5. Department meets with employee in person or by phone if necessary and reviews four repayment options.
  - Option 1 - Employee repays in full by check to department. Department must submit copy of deposit slip from Financials with chart field string and PDF to Adjustments Unit.
  - Options 2, 3, and 4 - Employee repays overpayment via payroll deduction. If repaid during the calendar year overpayment occurred, an adjustment entry will be made and no changes to their taxes are necessary. If repaid in a following calendar year, their pay will be offset through a payroll deduction, an adjustment entry will be made, the Tax Unit will review for any FICA refunds, and the employee may need to file amended tax return(s).



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6. Employee initials all relevant sections and signs agreement. Department representatives signs agreement and provides copy to employee. Contact the Adjustments Unit if the employee refuses to sign.
7. Department submits copy of repayment agreement, one PDF listing number of installments and biweekly amount, Multiple Pay Period Adjustment Worksheet, and payroll registers. Department keeps a copy on site of everything submitted.
8. Should the employee term prior to repaying amount in full, note the repayment agreement and remaining amount on the Lump Sum/Vacation Pay Out form and if the employee initialed paragraph six on agreement.

### 7.7 Deduction Errors

If an employee's gross pay is correct, but the net pay is wrong due to an incorrect mandatory, voluntary, or tax deduction, fill out the *PDF* as explained below.

#### Type of adjustment required

Select the DEDUCTION check box and identify the deduction error.

#### Briefly specify the problem

1. Write "Net pay is incorrect" and describe the reason this happened. Most (but not all) deduction errors are caused by the following reasons:
  - A desired deduction was not entered in People & Pay, or was entered incorrectly
  - A deduction was taken before the date it was supposed to start
  - A deduction was taken after the date it was supposed to be cancelled
  - A tax deduction was wrong because Disability Pay (DP) or Assault Pay (AP) was incorrectly reported.
2. Indicate the type of deduction and the amount that was taken (or not taken) in error.  
NOTE: If the deduction error involved Health Benefits, contact Health Services at (415) 554-1750 to resolve the error. Do not submit a PDF.
3. If the error involved the reporting of DP or AP, list the paid-hours code that was incorrectly reported and the hours and dollar amount that were charged to it.



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### Briefly describe the requested action

1. On the *PDF*, list the amount to be deducted or refunded.
2. If the error involved the reporting of DP or AP, list the correct paid-hours code and the number of hours that should be changed.

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If the deduction error involves deferred compensation, submit the approved *PDF* to SFDCP directly. SFDCP will review and sign the PDF and forward it to the Payroll Division Adjustments Unit for processing. For prior calendar year deferred compensation deduction errors, department payroll/personnel staff should contact SFDCP directly at 415-487-7500.

For all other deduction errors, submit the signed PDF, attaching supporting records to the Payroll Division Adjustments Unit.

## **7.8 Pay Cancellation / Reissue**

If department payroll/personnel staff identifies that the pay contains an error, a pay cancellation/reissue request can be made by filling out the *PDF* as follows:

### Type of adjustment required

Select the CANCEL/REISSUE check box and write "cancel pay".

### Briefly specify the problem

1. Write the reason from the following list to describe why the pay should not have been issued:

(NOTE: Pay can be cancelled only for one of the reasons below. Call the Payroll Division Adjustment Unit immediately to request canceling pay.)

- Overtime hours were reported when no overtime was worked.
- Time was incorrectly reported for an employee who separated or went on leave.
- Time was reported for work performed under illegal or improper appointment.



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- An overpayment of 10% or more was included in an employee's pay (or an overpayment of any size was included in an employee's final pay).

### Briefly describe the requested action

1. Explain that the time should not have been reported and the pay should not have been issued.
2. Specify exactly how the employee should have been paid and calculate the amount of correct pay.

Reminder: This process can only be used if constructive receipt has not taken place. If an employee's payroll has posted to their bank account, please refer to section 7.5 Overpayments. Reversals can take up to five days for return of funds and the Payroll Division cannot reissue pay until we have received the funds back from the employee's bank.

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

## 7.9 Undeliverable Pay Card Return

If an authorized pay card cannot be delivered to an employee after six (6) months from pay date, fill out the *PDF* as follows:

### Type of adjustment required

Select the OTHER check box and write "undeliverable pay card."

### Briefly specify the problem

Write "Pay card cannot be delivered — employee's whereabouts unknown."

### Briefly describe the requested action

1. Write "Returning pay card" and include the issue date and gross amount.
2. Send the pay card to the Payroll Division with the *PDF*, and retain a copy of the PDF for your payroll files.



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Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed PDF, attaching supporting records to the Payroll Division Adjustments Unit.

### 7.10 Symbol Changes

If an employee's gross pay and net pay are both correct, but an incorrect pay code (symbol) was charged, enter the employee's information, and fill out the *PDF* as follows:

#### Type of Adjustment Required

Select the SYMBOL CHANGE check box.

#### Briefly specify the problem

Fill in the class and hourly rate

#### Briefly describe the requested action

Write the hours and dollars, and the corresponding symbols, as shown in the example below:

<b>Change:</b>	16 hours VA	\$414.80
<b>To:</b>	8 hours WK	\$207.40
	8 hours SLP	\$207.40

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

### 7.11 Retroactive Payments

Retroactive payments are used to adjust an underpayment that involves three (3) or more pay periods. Often, retroactive payments are necessary when an employee did not receive acting assignment pay or supervisory differential pay, or missed a step increment. If retroactive pay is necessary, enter the employee's information, and fill out the *PDF* as follows:



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Type of Adjustment Required

Select the RETRO check box.

Briefly specify the problem

Fill in the employee's job class, hours, and pay amount and describe why the employee was underpaid.

Briefly describe the requested action

Write the hours and dollars that the employee should have been paid.

Attach the following supporting records

- Relevant page(s) from the relevant Memorandum of Understanding (MOU), separation agreement, interdepartmental memo, or other authorizing record
- *Multiple Pay Period Worksheet* — at the end of the Worksheet, prepare a summary of all types of pays with the dollar amount and hours against each pay type
- *Payroll Register* for applicable pay periods
- If the retroactive pay is being requested for more than 25 employees at once, use a Microsoft Excel spreadsheet with the following fields: employee DSW #, employee record number, last name, first name, job class, amount of hours, TRC, or earnings code and pay amount. E-mail the spreadsheet to the Payroll Division Adjustments Unit with a scanned, completed copy of the PDF.

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

## 7.12 Jury Duty

When an employee performs jury duty, the department pays the employee "Jury Duty Leave Pay." Occasionally, the employee may receive remuneration from the court for going to jury duty. In order to recover the jury duty amount paid by the court, the department prepares and submits a *PDF* along with the Certificate/Slip(s) of Jury Duty obtained by the employee to the Payroll Division. Fill out the *PDF* as follows:



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Type of adjustment required

Select the JURY DUTY check box.

Briefly specify the problem

Write the amount of Jury Duty Leave Pay received by the employee from the department, and the payment amount received by the employee from the court.

Briefly describe the requested action

Write "recover the Jury Duty amount paid by the court."

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

## **7.13 Adjusting Vacation/Sick Pay Balances and Entitlements**

People & Pay accrues vacation and sick pay hours automatically for eligible employees. Department payroll/personnel staff should refer to relevant memoranda of understanding (MOU) by job classification for the most current applicable accrual rates.

For most departments (except Fire), employees who are eligible to accrue paid vacation receive vacation hours based on certain factors:



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Years of Service for Employees Eligible for Vacation	Vacation Accrual Rate	12 Month Maximum Entitlement	Maximum Accumulation	Example
One to five years, inclusive	0.0385 x Vacation Eligible Service	80 hours (10 days)	320 hours (40 days)	During a regular pay period, the employee accrues 0.0385 hours multiplied by the number of paid hours worked
More than five years, inclusive	0.0577 x Vacation Eligible Service	120 hours (15 days)	360 hours (45 days)	During a regular period of pay, the employee accrues 0.0577 hours multiplied by the number of paid hours worked
More than 15 years	0.77 x Vacation Eligible Service	160 hours (20 days)	400 hours (50 days)	During a regular period of pay, the employee accrues 0.077 hours multiplied by the number of paid hours worked

For all departments, sick pay hours accrue based on 0.05 hours per paid hour worked except for certain FIR job classes who accrue at 0.063 hours per paid hour worked. Effective July 1, 2015, employees without regular work schedules (i.e., TEX, AN) will earn one hour of sick leave for every 30 hours paid. All sick pay access is available after the 90<sup>th</sup> day of employment. If an employee separates from the City **90 or more days after they were hired** (i.e., had access to sick pay) and returns to work the City within **12 months** of separation, the employee regains their former sick leave balance and immediately gains access to use.

Vacation and sick pay balances and entitlements may be incorrect due to one of the following reasons:

- The initial balance input in People & Pay was incorrect
- The hours or pay code input in People & Pay was incorrect
- The employee's benefit service date was incorrect
- The employee's status was incorrect.

Use the *Vacation/Sick Pay Adjustment Form* when an employee's sick pay and/or vacation usage balances and entitlements need to be adjusted. To complete this form:

1. In Section 1, enter the employee's DSW #, employee record number, employee name, department ID number, department name, and pay period end date to be adjusted.





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2. In Section 2, explain why the adjustment is required; for example, the benefit service date was changed from (date) to (date).
3. In Section 3, assemble and attach the supporting records and complete the boxes as follows:
  - SICK PAY BAL: Write the incorrect sick pay balance shown from the *MAM0035 Combined Leave Balance Report* and, under "DEPARTMENT SICK PAY BALANCE" write what the sick pay balance should be. Calculate the difference between the reported sick pay balance and the correct sick pay balance.
  - VESTED SICK PAY BAL: Use this box for employees who are eligible for Vested Sick Pay and whose balances are incorrect. Write the incorrect sick pay balance shown from the *MAM0035 Combined Leave Balance Report* and, under "DEPARTMENT SICK PAY BALANCE" write what the sick pay balance should be. Calculate the difference between the reported sick pay balance and the correct sick pay balance.
  - SICK ENT ATD: Use this box to adjust sick pay entitlements. Write the incorrect sick pay entitlement balance shown from the *MAM0035 Combined Leave Balance Report* and, under "CORRECT SICK ENT" write what the sick pay entitlement balance should be. Calculate the difference between the reported sick pay entitlement balance and the correct sick pay entitlement balance.
  - VACATION BAL: Write the incorrect vacation pay balance shown from the *MAM0035 Combined Leave Balance Report* and, under "DEPARTMENT VACATION BALANCE" write what the vacation pay balance should be. Calculate the difference between the reported vacation pay balance and the correct vacation pay balance.
  - VACATION ENT ATD: Use this box to adjust vacation pay entitlements. Write the incorrect vacation pay entitlement balance shown from the *MAM0035 Combined Leave Balance Report* and, under "CORRECT VACATION ENT" write what the vacation pay entitlement balance should be. Calculate the difference between the reported vacation pay entitlement balance and the correct vacation pay entitlement balance.

Write the preparer's name, phone number, and date and obtain the Appointing Officer's signature and date on the form. To ensure that payroll changes are being properly authorized and complying with internal controls, the preparer's name should never be the same name as the Appointing Officer's signature. Submit the form and supporting records to the Payroll Division Adjustments Unit.



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### **7.13.1 Multiple Pay Period Adjustments for Sick and/or Vacation**

When an employee's sick pay and/or vacation usage balances need to be adjusted for two or more consecutive pay periods, fill out the *Vacation/Sick Pay Adjustment Form for Multiple Pay Periods Form*. Attach the *Combined Leave Balance Report* for the first and last pay periods being adjusted, and the *Payroll Register* for all pay periods being adjusted. Submit all three records to the Payroll Division Adjustments Unit.

### **7.14 Adjustments Audit Trail**

For each adjustment, People & Pay creates an audit record that identifies the balance that was updated, the before and after values, and the amount of the adjustment, providing a complete snapshot of the adjustment, including the date and time it was made. The audit trail for adjustments can be viewed online, using the balance inquiry pages.



## SECTION 8: DISABILITY PROCEDURES

### Purpose

This section covers the procedures to be followed when a City and County of San Francisco (CCSF) employee experiences illness or injury that prevents him or her from completing regularly assigned work duties. Employees are eligible for different disability programs depending on their job classification, medical circumstances, and union representation. The instructions in this section cover how to process the following types of disability benefits:

- Assault Pay
- City and County of San Francisco Disability Pay (also known as 4850)
- MUNI Accident Pay
- Workers' Compensation
- State Disability Insurance

NOTE: Elected Officials and members of the Board of Supervisors get paid their regular salary during all leaves regardless of the type of leave.

### Policy

Workers' Compensation (WC) and State Disability Insurance (SDI) procedures are governed by the State of California. Department payroll/personnel staff are responsible for ensuring that their internal processing complies with both CCSF and state requirements for all disability benefit programs.

#### ***When Work-Related Injury Occurs***

When an employee has been out for three (3) calendar days, or when an employee has been hospitalized, it is the responsibility of department payroll/personnel staff to contact the employee's supervisor and determine whether the employee's illness or injury is work-related and whether the employee will be making a disability claim.

If the employee has suffered a work-related injury or illness and will be making:

- An Assault Pay claim and is not eligible for CCSF Disability Pay, refer to Section 8.1



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- A CCSF Disability Pay claim (with or without Assault Pay), refer to Section 8.2
- A Workers' Compensation claim, but will not be receiving CCSF Disability Pay or Assault Pay, refer to Section 8.5.

### 8.1 Assault Pay

**Overview.** Assault pay (AP) is used to:

- Supplement Workers' Compensation payments to non-safety employees who are injured on the job by criminal assault
- Supplement the employee's salary if he or she returns to work part-time after such an assault
- Pay the employee for work days occurring during the waiting period before Workers' Compensation begins.

AP is paid based on the employee's normal work schedule, including any shift differential appropriate to the employee's work schedule, but excluding any overtime or special pays the employee normally earns while working. AP is nontaxable earnings; however, all other employee deductions — such as retirement, Health Services, and union dues — are taken. Department payroll/personnel staff must monitor and ensure that the sum of the Assault Pay (and the equivalent hours) plus Workers' Compensation benefits (and the equivalent hours) do not exceed the employee's normal pay period gross pay and scheduled hours.

**NOTE: AP is subject to approval by the Civil Service Commission.**

**How long an employee may receive AP.** An employee may receive AP for up to 12 months for any one injury. That is, the total number of days that an employee receives AP for a particular injury may not exceed the number of work days in 12 months; however, these days do not have to be consecutive. See Administrative Code Section 16.170 for more information.

When an employee is receiving AP, the employee's payroll department must keep track of the number of days the employee has received this pay.

**Who is eligible.** All employees are eligible for AP other than those who are eligible for CCSF Disability Pay, with this exception: employees who have a waiting period before disability pay begins may receive AP during the disability pay waiting period if they were criminally assaulted. **If they do receive AP during this time, the days paid by AP will be counted as disability pay days for purposes of the annual DP limit.**



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### **8.1.1 AP Claim Procedures**

Since AP is used to supplement Workers' Compensation (Workers' Comp), the procedure to use when an employee is making an Assault Pay claim is the same as those for Workers' Comp. Please refer to Section 8.5 for Workers' Comp procedures. Note the following regarding AP:

- AP must be approved by Civil Service. Department payroll/personnel staff cannot post AP hours until the Assault Pay is approved by the Civil Service Commission, which may take a month or more (partly due to delays in receiving physicians' reports). If the employee wishes to supplement the Workers' Comp benefit before AP is approved, the employee must use any paid-leave credits he or she has.

**Two types of adjustments.** After AP is approved, department payroll/personnel staff may make retroactive adjustments for the following reasons:

1. Department makes retroactive adjustments to charge supplemental hours to AP.
2. If the employee is out more than 14 calendar days and had a waiting period before his or her Workers' Comp benefits began, department payroll/personnel staff must make retroactive adjustments to charge hours to WCU during the Workers' Comp waiting period. (This is necessary because, after an employee has been out 14 calendar days, he or she receives Workers' Comp benefits for any Workers' Comp waiting period that occurred.)

If the employee is out more than 14 calendar days but AP is not yet approved, it is easier to wait for AP to be approved and then make both adjustments at once. However, if the employee is running out of paid-leave credits, department payroll/personnel staff should make the adjustments for Workers' Comp to cover the waiting period without waiting for AP to be approved.

To make AP adjustments, departments complete and submit to the Payroll Division Adjustments Unit the following required forms:

- *Problem Description Form (PDF)*
- *Multiple Pay Period Adjustment Worksheet*
- *Payroll Register* for associated pay periods
- *Workers' Compensation Supplementation Worksheet*



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- CCSF Department of Human Resources (DHR) Workers' Compensation Unit approval for AP.

### **8.1.2 AP Account Setup**

After AP is approved, to set up an AP account for an employee, count the number of regular work days starting from the employee's first day of absence and ending 12 months later. The total regular work days will always be either 260, 261 or 262 days.

- *Example:* If the employee's absence began on March 13, 2015, count the number of regular paid days (work days and holidays) from March 13, 2015, through March 12, 2016. This would give the total number of days the employee is eligible for AP.

As the department posts AP hours for the employee, deduct one full day from his or her AP account for each full day that any AP hours are posted. If the employee uses all of his or her available AP hours, the employee may then use any available paid-leave credits to supplement Workers' Comp benefits.

If the employee returns to work part-time, post the balance of his or her hours to AP.

- *Example:* If an employee who normally works an eight-hour day returns to work for four hours a day, post four hours to WKP and the remaining four hours each day to AP.
- In the above example, if a holiday occurred during the pay period, four hours of the holiday would be posted as LH and four hours as AP.

If the employee receives AP for half a pay period or for a full pay period and participates in deferred comp, contact see Section 8.2.1 or contact SFDCCP (the Deferred Compensation Unit of SFERS) at 415-487-7500.

## **8.2 CCSF Disability Pay**

Disability Pay (DP) is used to pay eligible employees who are off work with a work-related injury or illness. Generally, only employees in safety-related classifications are eligible for DP. DP pays full salary and is not taxable. An employee may receive DP for up to 12 months; after that, he or she may receive workers' compensation.

This section explains how department payroll/personnel staff process disability pay (DP).

City and County of San Francisco (CCSF) disability pay (DP) is a benefit paid by CCSF to eligible employees who are off work because of an injury or illness that is work-related. DP is



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available primarily to sworn personnel in the Police and Fire departments. In addition, select job classifications in the Sheriff's Department, Juvenile Probation Department, and Adult Probation Department are eligible for DP. DP pays full salary and is nontaxable. However, all other employee deductions—such as retirement, Health Services, and union dues—are taken from DP. Note, the deferred compensation deduction is NOT taken but the Loan deduction (if applicable) is taken.

**How long an employee can receive DP.** An employee may receive DP for up to 12 months for any one injury or illness. These 12 months do not have to be consecutive. For employees who have waiting periods before they are eligible for disability pay and who receive Workers' Compensation during this time, the days in which Workers' Comp benefits are paid are counted as DP days.

All DP hours posted on timesheets are monitored and approved by DHR Workers' Compensation Division. For more information department payroll/personnel staff should contact their Department Personnel Officer or Return-to-Work Staff with any questions related to salary continuation or Labor Code Section 4850 benefits.

**Processing DP.** When an employee is to receive DP, department payroll/personnel staff should do the following:

1. If the employee receives DP for half of a pay period or more:
  - Contact SFDCP at 415-487-7500 to confirm whether the employee is in the plan or not.
  - Provide the *Dept DP & AP Def Comp Turn ON & OFF Notification* list no later than 11am on Friday maintenance weeks to SFDCP. Complete columns A through E only.
  - Do not change the spreadsheet's format. Rename it using your department three letter code with the current pay period ending.
    - For example: PUC DP & AP Notification to turn Def Comp On or Off for PPE 082517.xls
2. Check the employee's vacation balance periodically. If it exceeds the employee's maximum balance, make a note of the date on which vacation accrual stopped, and keep track of the number of vacation hours that should be accruing.
  - Employees who are on DP are allowed to accrue hours over the maximum vacation balances. However, these hours must be tracked manually because People & Pay automatically stops accruing when an employee reaches his or her maximum vacation balance.



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3. After the employee returns to work for half or a pay period or more:
  - If the Deferred Comp deduction for an employee was end dated by SFDCP, inform Deferred Comp that the employee is back to work using the DP & AP template supplied by SFDCP.
  - If a Deferred Comp deduction is taken while an employee is on disability leave, department payroll/personnel staff should complete a *Problem Description Form* (PDF) specifically requesting the refund of the Deferred Comp contribution. Submit the PDF to the SFDCP directly. SFDCP will review and sign the PDF and forward it to the Payroll Division Adjustments Unit for processing. Note: If there are other deductions that need to be refunded, complete a separate PDF for the deferred compensation deduction using the "Other" box, writing in: Deferred Comp Refund.

For those who qualify, there is no waiting period before an employee is eligible for disability pay. Therefore, as soon as the employee goes on disability leave, simply post all of his or her scheduled to DP, including any holiday hours. If a holiday does occur, do not credit the employee with an in-lieu holiday unless the holiday falls on the employee's regularly scheduled day off. If the employee's vacation balance exceeded his or her maximum balance, submit the following five documents to request a payoff of the excess hours: 1) *PDF*, 2) *Multiple Pay Period Adjustment Worksheet*, 3) *Payroll Register* for all pay periods, and 4) the *Combined Leave Report* for the first and last pay periods, and 5) DP approval letters (and, if applicable, a letter from the DIR DWC).

If the employee is still on leave after DP for 12 months, the employee receives Workers' Compensation with no waiting period before benefits begin.

**Ending DP.** Department payroll/personnel staff needs to monitor employee usage of DP to ensure that the employee returns to work or are approved for regular Workers' Comp after the employee has received DP for 365 consecutive days. No employee can receive more than 365 days of DP per the State Labor Code 4850.

### 8.3 Deferred Compensation While on Assault Pay and Disability Pay

If an employee is on DP or AP, contact SFDCP at 415-487-7500 to confirm if they are in the Plan. If they are currently contributing, their deferred compensation deduction must be end dated while he or she is on disability or assault leave for a full pay period or more. (This is because the employee uses deferred compensation to defer taxation, and AP and DP are non-taxable wages.)





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Department payroll/personnel staff must notify Deferred Comp to end date the deferred compensation deduction as soon as an employee starts receiving AP or DP for a full pay period or more.

To stop the deferred compensation deduction:

1. Complete the *Deferred Compensation for Disability Pay and Assault Pay Form*. File a copy of the completed form in the employee's file.

As a reminder, you will also receive an email from the SFDCP, entitled: Dept. DP & AP Def Comp Turn ON & OFF Notification on the pay period end date stating the following:

*Send an email to the SFDCP staff that sent the reminder email and copy:*  
[team.sfdcp@sfgov.org](mailto:team.sfdcp@sfgov.org), attaching the completed spreadsheet (using the template supplied by the SFDCP).

Please provide your Dept DP & AP Def Comp Turn ON & OFF Notification list no later than **11am Friday of maintenance weeks** to SFDCP. Remember to complete columns A through E only on the template. Do not change the spreadsheet's format but rename it using your Department three letter code and the current pay period ending.

Example:

PUC DP & AP Notification to turn Def Comp On or Off for PPE 082517.xls

2. Send a copy of the form to the employee.

Inform Deferred Compensation when the employee has been back from the leave for more than half a pay period.

If a deferred compensation deduction is taken while an employee is on disability or assault leave:

- Department payroll/personnel staff should complete a *Problem Description Form* (PDF) specifically requesting the refund of the Deferred Comp deduction and submit the Dept approved PDF to the SFDCP directly. SFDCP will review and sign the PDF and forward it to the Payroll Division Adjustments Unit for processing. Note: If there are other deductions that need to be refunded, do the PDF for the SFDCP separately; using the "Other" box, writing in: Deferred Comp Refund.

To restart deferred compensation:

1. Retrieve the copy of the *Deferred Compensation for Disability Pay and Assault Pay Form* from the employee's file.



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2. Fill out the "Returning from DP/AP Leave" section of the form.
3. File a copy of the completed form in the employee's file.
4. Send an email to the SFDCP staff that sent the DP & AP Notification Def Comp Turn ON & OFF Notification reminder and copy: [team.sfdcp@sfgov.org](mailto:team.sfdcp@sfgov.org), attaching the completed spreadsheet (using the template supplied by the SFDCP).
5. Please provide your Dept DP & AP Def Comp Turn ON & OFF Notification list no later than **11am Friday of maintenance weeks** to SFDCP. Send a copy of the form to the employee.

### 8.4 MUNI Accident Pay

This procedure applies only to the SF Municipal Transportation Agency (SFMTA) Municipal Railway (MUNI). MUNI payroll offices should refer to its internal rules and policies regarding industrial accidents for detailed process information.

If a MUNI employee is injured from an unavoidable collision accident or malfunction of MUNI equipment while operating MUNI equipment, and this results in a loss of time from work, the MUNI employee shall suffer no loss of pay time on the day the injury occurs. In the event of such injury, the MUNI employee shall be paid eight (8) hours' time for each scheduled work day lost during the waiting period until Workers' Compensation temporary disability benefits begin. After the waiting period, the MUNI employee receives from MUNI 60% of the difference between Workers' Compensation temporary disability benefits and eight (8) hours' time for each scheduled work day lost, for a maximum of one (1) month of continuous absence each fiscal year.

SFMTA department payroll should refer to applicable memoranda of understanding (MOUs) for details.

### 8.5 Workers' Compensation (Workers' Comp) Pay

**Overview.** Workers' Compensation is a benefit paid to employees when they are temporarily unable to be at work due to a work-related injury or illness. This benefit is approved through the Department of Human Resources, Division of Workers' Compensation. Workers' Comp benefits are non-taxable, and do not earn retirement service credits. Temporary disability benefits are limited to 104 cumulative weeks within a five (5) year period from the date of injury. The Workers' Compensation Division may determine that the employee is entitled to receive payments for a permanent disability based on an award. If so, this award has no effect on the employee's temporary disability benefits.



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and may be paid after the employee returns to work concurrently with the employee's salary or wages.

There is a waiting period of three calendar days before an employee is eligible for Workers' Comp benefits, unless:

- The employee is admitted to a hospital for at least 24 hours during the waiting period (in which case he or she is eligible for benefits on the first day of hospitalization)
- The disability is a recurrence of an earlier injury or illness
- The employee is a police officer, sheriff, or fire fighter (If so, refer to section 8.2 CCSF Disability Pay.)

The amount paid by Workers' Comp is normally less than the employee's full gross salary. An employee may choose to "supplement" (or "add to") his or her Workers' Comp payment with paid leave credits such as sick pay, vacation, or compensatory time. Only paid leave types that are paid on an hourly basis may be used for supplementation.

### **8.5.1 What to do when an Employee Goes on Workers' Comp**

On the third calendar day of an employee's absence or immediately after an employee has been hospitalized or an employee has used all of his or her City disability pay, and department payroll/personnel staff has learned that this employee will be making a Workers' Comp claim:

- Write your name and payroll department mailing address at the top of a *Workers' Compensation Supplementation Election Form*.
- Mail the *Election Form* to the employee's home.

Receive the *Election Form* from the employee and do the following:

1. Make a note of the type of supplementation the employee wishes to use.

NOTE: If the employee is making an Assault Pay claim, the type of supplementation specified will be used only until the Assault Pay is approved.

2. If the employee will be supplementing with WSP credits, set up a WSP account (refer to Section 8.8 regarding how to set up a WSP account).
3. If the employee will be supplementing with compensatory time, obtain the signature of the Appointing Officer or designee on the *Election Form*, approving the use of compensatory time.



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If department payroll/personnel staff does not receive the *Election Form* by the time timesheets are processed for the first pay period of the employee's absence, follow your department protocol to find out if he or she will be supplementing. The employee needs to be reminded to send the *Election Form*.

Each pay period that an employee is on Workers' Comp, department payroll/personnel staff must positively post the employee's hours.

During the time the employee is on leave:

**During the Workers' Comp waiting period.** If the employee has paid-leave credits during the Workers' Comp waiting period, department payroll/personnel staff should post the employee's time to SLP or, if the employee chooses, to vacation, comp time (with Appointing Officer approval), or floating holiday. If the employee has no paid-leave credits, post all of the employee's standard hours to SLL during the waiting period.

1 Post the employee's time on the timesheet each pay period.

- During the Workers' Comp waiting period:

If the employee has paid-leave credits, post the employee's time to SLP or, if the employee chooses, to vacation, compensatory time (with approval), or floating holiday.

If the employee has no paid-leave credits, post all of the employee's standard hours to SLL during the waiting period.

- After the waiting period:

If the employee is not supplementing, post all of the employee's standard hours to non-paid hours code WCU.

Only post integrated/supplemental pay; the employee receives Workers' Comp pay directly from carrier.

If the employee is supplementing, calculate the supplemental and Workers' Comp hours and post these hours on the timesheet. **If the employee is supplementing using WSP, do not post hours to SLP.**

**After the Workers' Comp waiting period.** If the employee is supplementing, calculate the supplemental and Workers' Comp hours and post these hours (SLP, VAP, FH, etc.). If the employee is not supplementing, post all of the employee's standard hours to non-paid hours code WCU after the Workers' Comp waiting period (if any) is over. If a holiday occurs, do not



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post LH hours unless the employee received at least one hour of pay the day before or after the holiday.

1. Check the employee's vacation balance periodically. If it exceeds his or her maximum balance, make a note of the date on which vacation accrual stopped, and keep track of the number of vacation hours that should be accruing.
2. If the employee is on Workers' Comp for half a pay period or more, determine if the employee is participating in the Deferred Compensation Plan by calling 415-487-7500.
3. If the employee is out more than 14 calendar days, and had a waiting period before his or her benefits began, the Workers' Compensation Division will pay benefits retroactively for the waiting period. Therefore, any paid-leave hours the employee used during the waiting period must be adjusted in order to avoid an overpayment:
  - If the employee is supplementing, the paid-leave hours used during the waiting period are reduced and credited back to the employee's appropriate paid-leave account. Complete a *PDF* to specify this adjustment.
  - If the employee is not supplementing, all of the paid-leave hours used during the waiting period are negatively adjusted and credited back to the employee's appropriate paid-leave account. Complete the *PDF* to specify this adjustment.

If the employee is out for more than 14 calendar days, Workers' Comp benefits are paid retroactively for any waiting period that occurred.

### **8.5.2 Workers' Comp Recurrences**

If an employee who has been on Workers' Comp has a recurrence of his or her symptoms and goes back to Workers' Comp:

- The waiting period is waived.
- The beginning balance of the new WSP account becomes either the sick pay balance or any remaining WSP balance, whichever is less.
- The current Workers' Comp benefit rate is used (this may not be the same rate that was in effect when the illness or injury first occurred).
- The employee's current pay rate is used to calculate supplemental hours.

If an employee who previously was on Workers' Comp experiences a new accident or illness:

- The waiting period is not automatically waived.



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- Just like a recurrence, the beginning balance of the new WSP account becomes either the sick pay balance or any remaining WSP balance, whichever is less.

### 8.5.3 Ending Workers' Comp

Follow these steps after the employee returns to work, leaves City employment, or goes off Workers' Comp leave to begin City disability pay:

- If the employee was contributing to Deferred Comp when they were paid disability pay, refer to Section 8.3 Deferred Compensation while on Assault pay or Disability Pay. NOTE: If a deferred comp deduction is taken while an employee is on disability leave, the employee should contact their department payroll/personnel staff regarding Deferred Comp.
- If the employee's vacation balance exceeded his or her maximum balance, submit a *PDF* to pay off the excess hours. Attach copies of the *Combined Leave Balance Report* for the pay period in which the employee returned to work.
- If the employee leaves City service instead of returning to work, fill out a *Lump Sum, Comp Time, Wellness, Vested Sick, Fire T&E Payout Form*.
- If the employee has been using WSP, make a note of the ending balance of the WSP account and put it in the employee's file in case there is a recurrence of the disability.

For more information regarding Workers' Compensation, please contact DHR's Workers' Compensation Division at (415) 557-4800 or visit [sfdhr.org/workers-compensation-division](https://sfdhr.org/workers-compensation-division).

## 8.6 State Disability Insurance (SDI) Pay

**Overview.** State Disability Insurance (SDI) is a program that pays benefits to employees who are off work because of a disability that is not work-related. For SDI purposes, a "disability" includes any illness or injury, either physical or mental, including pregnancy, childbirth, or related medical condition that prevents the employee from working.

The SDI program is funded in part through employee payroll deductions (a percentage of the employee's gross pay with an annual limit). SDI benefits are not taxed and do not earn retirement service credits.

**Eligibility.** Any City employee is eligible for SDI benefits if he or she:

- Has contributed to SDI for seven (7) months and



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- Has been under the care of a doctor or practitioner during the first eight (8) calendar days of his or her absence.

To ensure that the employee has been paying the SDI tax for the required seven (7) months, department payroll/personnel staff should check the SDI status under the State Tax Data Panel in People & Pay and payroll registers. If the employee has not had an SDI deduction for seven (7) months, or the injury or illness is work-related, do not continue with the SDI procedure. If the injury or illness is work-related, refer to the Workers' Compensation procedures.

There is a waiting period of seven (7) calendar days before an employee is eligible for SDI benefits.

**Benefit amount.** The amount of the SDI benefit an employee receives is based on the employee's highest quarterly earnings in a base period. The method used to determine the employee's weekly SDI benefit payment is set by the State of California Employment Development Department (EDD). EDD issues a *SDI and Paid Family Leave Weekly Benefit Amount Table* online. To obtain the employee's benefit amount, department payroll/personnel staff should contact EDD. SDI benefits are normally paid for one year (with certain exceptions).

### **8.6.1 SDI Claim Filing**

**Forms to be sent.** On the sixth (6<sup>th</sup>) working day of an employee's absence, if the employee has been paying into SDI for the past seven (7) months, follow your department protocol and send the following materials to the employee's home:

- An SDI informational notice
- An *SDI Departmental Notification Form*
- A current "Disability Insurance Provisions" brochure (State Publication DE 2515)
- A *Request for Leave Form*  
Important note: This *Leave Form* must always be sent on the sixth (6<sup>th</sup>) working day of the employee's absence. The SDI waiting period has no effect on when the *Leave Form* is sent.

An eligible employee may choose not to apply for SDI benefits. If so, the employee must complete an *SDI Departmental Notification Form* and submit it to his or her department payroll office.

**SDI Departmental Notification Form.** When department payroll/personnel staff receives a completed SDI Departmental Notification Form from the employee, it completes the following steps:



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1. Makes a note as to the type of supplementation the employee wants to use (if any).
2. If the employee wishes to supplement with compensatory time, obtain the signature of the Appointing Officer or designee on the form, authorizing the use of comp time.
3. File the form in the employee's payroll or personnel file.

**SDI Claim Statement and Form 2503.** To file an SDI claim, the employee must fill out and sign the *SDI Claim Statement* and give the form to his or her doctor to complete the physician's portion. The physician will send the form to the proper SDI office.

When the state receives the *Claim Statement*, it sends the *Notice of State Disability Claim Filed* (State Form DE 2503) to the employee's department payroll office. The employer portion of form DE 2503, should be completed as follows:

1. Last Day Worked  
Write the last full or partial day the employee worked.
2. Why Did Claimant Stop Work?  
Write the reason the employee is filing for disability.
4. Has Claimant Returned to Work?  
If the employee is back at work, write the date he or she returned to the job. If the employee is still on disability, check "No".
7. Has, or Will, the Claimant Receive Wages in the Form of Sick Leave, Vacation, or Other Type of Payment While he/she is Disabled?  
If the employee has paid-leave credits and has elected to supplement, check "Yes". Otherwise, check "No".
- 7a. If "Yes", Type of Payment  
If the employee has paid-leave credits, indicate how the employee is being paid (vacation, sick pay, or comp time).
11. Phone Number  
Write the phone number of the department contact completing the form.
12. Signature of Authorized Representative  
Sign the form so it is legible.
13. Date  
Write the date the department contact completed the form.





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The department must complete and return the employer portion of State Form *DE 2503* to the address shown at the top of the form within two working days. The State Disability Insurance Office processes the claim.

### **8.6.2 Posting Employee Time While on SDI**

Beginning with the eighth (8<sup>th</sup>) calendar day of the employee's absence, unless department payroll/personnel staff receives written notification from the employee via *SDI Departmental Notification Form* that he or she will NOT be applying for SDI benefits, post the employee's time as follows:

1. Positively post all of the employee's scheduled hours on the timesheet.
2. During the waiting period, post the employee's scheduled hours to SLP, or, if the employee chooses, to vacation, compensatory time, or floating holiday. (Use of comp time requires approval of the Appointing Officer or designee.) If the employee has no paid-leave credits, post his or her scheduled hours to SLL.
3. After the waiting period, do the following:
  - If the employee is NOT supplementing  
Post all of the scheduled hours the employee is on leave to either SLL or to appropriate paid leave credits.
  - If the employee IS supplementing  
Calculate the supplemental and SDI hours and post these hours. SDU is equal to the benefits amount and SLP is equal to the supplemental hours.
  - If it is unknown whether the employee is supplementing  
If department has not received the *SDI Departmental Notification Form* from the employee, post hours to SLL.

**Employee not applying for SDI.** If department payroll/personnel staff receives written notification that the employee will not be applying for SDI benefits, post all of the employee's scheduled hours to whichever paid-leave the employee wishes to use.

Effective November 4, 2015, Prop B was passed to allow employees to retain 40 hours of sick leave pay. If it is Family and Medical Leave Act (FMLA)-related leave, SLP must be exhausted before other paid leave credits. If the employee runs out of paid leave before returning to work, post all of his or her scheduled hours to SLL.



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### **8.6.3 Ending SDI**

If the employee returns to work after receiving SDI, then no adjustments are necessary; the employee will get paid as scheduled once he or she returns to work.

If the employee exhausts the SDI maximum benefits, and the employee is still out on leave, the employee can request department payroll/personnel staff to use available paid leave hours.

**Recurrences.** A recurrence of a disability must be diagnosed within 14 calendar days of the employee's return to work. Otherwise, it will be treated as a new disability, requiring another waiting period before SDI benefits begin.

### **8.6.4 Auditing SDI Usage**

In an effort to identify employees who are violating state law by receiving both SDI benefits and full paid-leave credits, the Systems Division sends to department payroll/personnel staff a report each pay period listing any employees for whom more than 39 SLP hours were posted.

When department payroll/personnel staff receives this report, it must do the following for each employee listed on the report:

1. Look in the last column, titled "Eligible for SDI."
2. If there are no asterisks (\*\*\*) in this column, the employee is not eligible for SDI and no action is necessary for this employee.
3. If there are asterisks (\*\*\*) in this column, it means that the employee has been contributing to SDI (remember that employees must contribute to SDI for seven (7) months before they become eligible for SDI benefits). Do the following:
  - Check department records to see if SDU hours have been posted for this employee. If SDU hours have been posted, no further action is required for this employee.
  - If SDU hours have not been posted, contact the leave coordinator to find out if the employee is receiving SDI benefits. If the employee is not receiving SDI benefits, no further action is required for this employee.
  - If the employee is receiving SDI benefits but SDU hours have not been posted, department payroll/personnel staff must begin posting SDU hours and make retroactive adjustments immediately. Refer to Section 8.10 for SDI adjustment procedures.



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### 8.7 Paid Family / Parental Leave

CCSF provides compensation to supplement SDI: sick leave, vacation, compensatory time, and other forms of paid leave. Paid family/parental leave allows an employee to receive the equivalent of 12 weeks' salary while on qualifying and approved leave following birth, adoption, or placement of a foster child with the employee's family. The policy also provides an additional four (4) weeks of benefits for employees who take leave for temporary pregnancy disability.

Employees are responsible for providing advance notice of their need for parental leave. Except in the case of emergencies, leave must be requested with at least 30 days' notice. Department payroll/personnel staff are responsible for completing the following steps to process the employee's paid parental leave request:

1. Determine employee eligibility—to be eligible for paid parental leave, the employee must be either:
  - Permanent, provisional, and exempt employees who (a) normally work at least 20 hours per week **and** (b) have completed six (6) months of continuous service (calculated from the date the employee was first appointed to City employment);
  - Any other City employee (a) who has worked at least 1,040 hours in the 12 months prior to the leave, **and** (b) whose average work week is at least 20 hours.
2. If seeking a family medical and/or pregnancy disability leave, complete and submit the *Request for Leave and Leave Protections Form*. In addition, the employee may have to complete other forms. Refer to DHR's *Paid Parental Leave Policy and Procedures* for more information.
3. Department payroll/personnel staff must submit time reports every pay period that an employee is on paid parental leave. The time reports for the employee must first exhaust any and all paid time off (vacation or compensatory time), administrative or executive leave, or floating holidays, before specifying Paid Parental Leave (PRP). Employees may retain up to 40 hours of accrued sick leave.

NOTE: Vacation and sick leave will continue to accrue during the period of Paid Parental Leave.

If it is necessary to make adjustments to an employee's pay while he or she is receiving paid family/parental leave, departments complete and submit to the Payroll Division Adjustments Unit the following required forms:

- *Problem Description Form* (PDF)



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- *Multiple Pay Period Adjustment Worksheet*
- *Payroll Register*
- *Vacation/Sick Pay Adjustment Form for Multiple Pay Periods*

Departments must also complete and keep the following forms on file for the employee (DO NOT SEND TO THE PAYROLL DIVISION):

- *DHR Notice of Eligibility*
- *DHR Request for Leave and Leave Protections*
- *DHR FML3 Designation Form*
- Documentation verifying the specific date of the event (birth, adoption, etc.)  
Documentation is not necessary if DPO signs off on PDF.

### **8.8 Workers' Comp and SDI Supplementation**

An employee may choose to supplement his or her Workers' Comp or SDI payment with paid-leave credits such as sick pay, vacation, floating holiday, or compensatory time. By adding these paid-leave credits to the Workers' Comp or SDI benefit amount, the employee is able to receive an amount up to his or her normal gross base salary, including any shift differential.

#### **8.8.1 SDI Supplementation**

Sick pay credits are used to supplement SDI benefits unless an employee requests that it be supplemented with vacation or compensatory time (use of comp time requires approval of the Appointing Officer), or requests that it not be supplemented. If the employee chooses one of these alternative options, he or she must fill out an *SDI Departmental Notification Form* and submit it to his or her department payroll office within seven (7) calendar days of his or her first day of absence. When the employee fills out the form, he or she may specify the order in which the paid-leave credits are to be used. If one type of paid-leave is used up, another type may then be used. Department payroll/personnel staff uses the form for SDI processing as described in Section 8.6.

**Vacation and sick pay accrual.** An employee who is on SDI leave earns sick pay and vacation credits only if he or she is supplementing. Sick pay is earned on the supplemental hours and vacation is earned on both the supplemental and the SDI hours.



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**If an employee begins SDI while on vacation.** If an employee becomes disabled while on vacation and makes an SDI claim, the days for which the employee receives SDI benefits may not be charged to full vacation. These days may only be supplemented by vacation, sick pay, or compensatory time credits.

### **8.8.2 Workers' Comp Supplementation**

Workers' Comp supplementation pay (WSP) is used to supplement an employee's workers' comp payment so that the employee receives an amount equal to his or her normal gross salary. If an employee is receiving workers' comp because of a criminal assault, Assault Pay (AP) is used instead of WSP to supplement his or her workers' comp benefit (once approved).

When an employee wishes to supplement with WSP credits (and is in a qualifying union), the employee's department payroll office completes the *Workers' Compensation/SDI Supplementation Worksheet*, recording the number of sick pay credits the employee has on the day that Workers' Comp benefits began. These credits become the beginning balance of the WSP manual account, and are used to supplement the Workers' Comp benefit. NOTE: The employee's actual sick pay credits are never used for supplementing Workers' Compensation.

The number of hours in the WSP account is equal to the employee's sick pay balance on the first day that Workers' Comp is paid. The employee may then receive the supplementation pay according to the number of hours in his or her WSP account. Department payroll/personnel staff should manually track the accrual of WSP credits as follows:

- During the time that the employee is on Workers' Comp, he or she continues to accrue WSP credits (WSP credits are accrued on WCU and any supplemental hours—including WSP hours—at the same rate as sick pay).
- Once an employee's original WSP credit balance is used up, the employee continues to accrue WSP hours up to his or her starting WSP balance, but these credits are available only for future use.
- When the employee returns to work, WSP is accrued at twice the rate sick pay is earned until it reaches its starting balance.

Department payroll/personnel staff is responsible for ensuring that the WSP hours reported do not exceed the employee's WSP balance. If the employee uses up all of his or her WSP hours, he or she may use vacation or compensatory time (use of compensatory time must be approved by the Appointing Officer.) If vacation and compensatory time are used up, the employee receives only the Workers' Comp benefit amount from carrier.



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### **8.8.3 Calculating Supplemental Hours for Workers' Comp and SDI**

**Determine the benefit amount.** To calculate the supplemental (and Workers' Comp or SDI) hours for a particular pay period, department payroll/personnel staff will need to know the daily Workers' Comp or SDI benefit amount that the employee is receiving, as follows:

- **Workers' Comp benefit** - As a general rule, employees are paid two-thirds of their gross (pre-tax) wages at the time of injury, with minimum and maximum rates set by law. Wages are calculated by using all forms of income received from work, including wages, overtime, and bonuses. Wages can also include earnings from work performed by the employee at other jobs at the time he or she was injured. The employee must provide proof of these earnings to the claims administrator, who will consider all forms of income when calculating an employee's Workers' Comp benefits.
- **SDI benefit** - The SDI benefit amount is based on the employee's highest quarterly earnings in a base period. To obtain this amount, refer to the employee's document of SDI benefit amount from the CA Employment Development Department (EDD) or contact EDD directly.

**Calculate adjusted hourly rate** (if needed). To calculate the supplemental hours, department payroll/personnel staff also needs to calculate an adjusted hourly rate for the employee if the employee:

- Earns shift premium
- Had a rate increase during the pay period
- Earns a special pay while on paid leave

For an employee with a day shift and one premium shift:

1. Multiply the employee's day shift hourly rate (including any special pay earned while on paid leave) by the number of scheduled hours in the day shift. This will produce the employee's biweekly day shift salary.
2. Calculate the hourly rate for the premium shift using the following formula:  
$$(1 + \text{shift \%}) \times \text{day shift hourly rate}$$
3. Multiply the premium shift hourly rate (including any special pay earned while on paid leave) (from Step 2) by the number of scheduled hours in the premium shift. This will produce the biweekly salary for premium shift.
4. Add the biweekly day shift salary (from Step 1) and the biweekly salary (from Step 3) for the premium shift. This will produce the adjusted biweekly salary.



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5. Divide the adjusted biweekly salary (from Step 4) by the employee's standard hours. This will produce the adjusted hourly rate.

Shortcut: Instead of completing the steps above, divide the employee's salary for a pay period in which the employee had no exceptions—and worked a schedule identical to the one for this pay period—by the number of scheduled hours.

For an employee with one premium shift only:

1. Calculate the adjusted hourly rate for the premium shift using the following formula:

$(1 + \text{the percentage}) \times \text{day shift hourly rate}$

For an employee with two premium shifts:

1. Calculate the adjusted hourly rate for the premium shift using the following formula:

$(1 + \text{the percentage}) \times \text{day shift hourly rate}$

2. Multiply the primary shift hourly rate (from Step 1) by the number of scheduled hours in the primary shift. This will produce the biweekly salary for the primary shift.
3. Calculate the hourly rate for the secondary shift using the formula in Step 1.
4. Multiply the secondary shift hourly rate (from Step 3) by the number of scheduled hours in the secondary shift. This will produce the biweekly salary for the second shift.
5. Add the biweekly salary for the primary shift (from Step 2) and the biweekly salary for the secondary shift (from Step 4). This will produce the adjusted hourly rate.

Shortcut: Instead of completing the steps above, divide the employee's salary for a pay period in which the employee had no exceptions—and worked a schedule identical to the one for this pay period—by the number of scheduled hours.

When there is a rate increase for the employee during the pay period, do the following:

1. Multiply the employee's old rate by the number of hours in the pay period that the employee was being paid at the old rate
2. Multiply the new rate by the number of hours in the pay period that the employee was being paid at the new rate
3. Add the answers from Steps 1 and 2
4. Divide by the employee's standard hours.

For employees who earn special pay while on paid leave, do the following:



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- If the special pay is a dollar amount, add the dollar amount to each pay rate that the employee receives
- If the special pay is a percentage (%), for each pay rate the employee receives, multiply (1 + the %) by the pay rate

**Fill out the *Supplementation Worksheet*.** Once the benefit amount and the employee's adjusted hourly rate (if applicable) are calculated, department payroll/personnel staff fills out a *Workers' Comp/SDI Supplementation Worksheet*. Follow the instructions on the *Worksheet* and post the paid hours from Step 7 of the *Worksheet* on the employee's timesheet. File the *Worksheet* in the employee's file.

If posting time for this employee, all the hours from the *Worksheet* must be posted to Shift 1 only.

**Adjustments while supplementing.** If any adjustments are requested along with supplementation:

1. Write the paid and non-paid hours from Step 7 of the *Workers' Comp/SDI Supplementation Worksheet* on the *Problem Description Form*. Make a photocopy of the signed *Worksheet* and attach the copy of the *Worksheet* to the *PDF*. File the original copy of the *Workers' Comp/SDI Supplementation Worksheet* and submit the *PDF* to the Payroll Division Adjustments Unit along with supporting records.
2. Supporting records include:
  - *Payroll Register*
  - *Multiple Pay Period Adjustment Worksheet*

### 8.9 Workers' Comp and Assault Pay Adjustments

This section describes the adjustment procedure to be used when an employee's Workers' Compensation (Workers' Comp) and assault pay (AP) hours or the hours used to supplement the Workers' Comp or AP benefit need to be corrected.

**Requesting adjustments.** Submit a *PDF* when a Workers' Comp or AP adjustment involves an over-payment or under-payment. If multiple pay periods need to be adjusted for Workers' Comp or Assault Pay, use the *Multiple Pay Period Adjustment Worksheet* and attach it to a single *PDF*.





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**Adjusting the Workers' Comp waiting period after 14 days.** When an employee has been out more than 14 calendar days, the Workers' Comp Division pays benefits retroactively for any waiting period that occurred. Therefore, any paid-leave hours the employee used during the waiting period must be adjusted:

- If the employee is supplementing, the paid leave hours used during the waiting period are reduced (and credited back to the employee's appropriate paid leave account), and these reduced paid leave hours are used to supplement the benefit paid during the waiting period.
- If the employee is not supplementing, all of the paid leave hours used during the waiting period are negatively adjusted (and credited back to the employee's appropriate paid-leave account). Submit a *PDF* to make necessary corrections.

**8.9.1 Workers' Comp and Assault Pay Adjustment Procedure**

Complete the steps for each pay period to be adjusted:

1. In Part 1 of the *PDF*, check the WC/ASSAULT PAY box. If a symbol change is also being requested, also check the SYMBOL CHANGE box.
2. In Part 2 of the *PDF*:
  - a. Write/type the employee's class and hourly rate and, if applicable, the shift percentage rate.
  - b. If the Workers' Comp waiting period is being adjusted, write "Employee on Workers' Comp for more than 14 calendar days." If Assault Pay is being adjusted, write/type "AP approved." (Both of these adjustments may be made at the same time.)
  - c. Show how the employee was paid. Include pay symbols, hours, and dollars. Check to see if the hours posted for the pay period being adjusted and the hours shown on the *Payroll Register* agree.
3. If the number of supplemental hours are to be adjusted (or calculated for the first time), calculate the supplemental and WCU hours as described in Section 8.8.  
NOTE: This step may be skipped if certain conditions apply—refer to the previous section.
4. In Part 3 of the *PDF*, show how the employee should be paid (based on calculations in Step 3, if applicable). Include pay symbols, hours, and dollars.
5. Submit the *PDFs* to the Payroll Division Adjustments Unit with the following attached:
  - a. *Payroll Register*



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- b. *Workers' Comp/SDI Supplementation Worksheet*, if applicable
- c. *Multiple Pay Period Adjustment Worksheet*, if applicable
- d. The Civil Service Commission approval of AP, if adjustments are being made because AP has been approved.

## 8.10 State Disability Insurance (SDI) Adjustments

This adjustment procedure should be used whenever department payroll/personnel staff needs to correct SDU hours and/or the hours used to supplement the State Disability Insurance (SDI) benefit. Do the following for each pay period to be adjusted:

1. In Part 1 of a *Problem Description Form* (PDF), check the box labeled "SDI" (if a symbol change is also being requested, check the "SYMBOL CHANGE" box also)
2. In Part 2:
  - Write/type the employee's job class, hourly rate, and, if applicable, the shift premium percentage.
  - Show how the employee was paid (include pay symbols, hours, and dollars)  
Important note: Check to see if the hours posted on the timesheet for the pay period being adjusted and the equivalent dollars on the Payroll Register agree. If they do not, use the figures from the *Payroll Register*. (Exception: If a *PDF* was submitted and acted upon by the Payroll Division, use the figures on the *PDF*.)
3. If the number of supplemental hours are to be adjusted (or calculated for the first time), calculate the supplemental hours as described in Section 8.8.1.
4. In Part 3, show how the employee should be paid, based on the calculations in Step 3, if applicable. Include pay symbols, hours, and dollars.
5. Submit the *PDF* to the Payroll Division Adjustments Unit with the following attached:
  - A copy of the *Payroll Register* for the pay period being adjusted.
  - A *Multiple Pay Period Adjustment Worksheet*, if applicable.
  - A copy of the *Workers' Comp/SDI Supplementation Calculation Worksheet*, if supplemental hours have been recalculated.



## SECTION 9: PAY RATES & ADDITIONAL PAY PROCEDURES

### Purpose

This section explains how department payroll/personnel staff process pay rate changes, additional pays, and other special pays. The additional pays covered in this section are just a fraction of those available to City and County of San Francisco (CCSF) employees; however, the procedures described represent how most additional pays are processed. The topics in this section include:

- Pay rate changes, including salary step increases and extended step progression
- Additional pays, including Acting Assignment Pay, Supervisory Differential Pay, and Bonus / Meritorious / Allowance / Incentive Pay
- Payoffs for Compensatory Time Off, Vested Sick, Vacation, Compensatory Time and Wellness
- Military Pay
- Restoration Pay
- Settlements (Litigation and Awards; Grievances and Awards)
- Severance Pay
- Uniform, Nurses' Expense, Tools, and Safety Shoes Allowance Pay
- "Z" Symbol Suspension to Allow Overtime Pay.

The step-by-step special pays data entry procedures are provided by the People & Pay User Productivity Kit (UPK) online training materials. Please go to the User Support tab of the SF Employee Portal, then click the link for 'UPK for City Departments.'

### Policy

Any changes to employee pay must be documented and approved by proper authorities. Before any modifications to employee pay is entered into People & Pay, department payroll/personnel staff must have documentation that describes the specifics of the pay change



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(such as the pay change amount, the effective date, classification affected, etc.) and copies of approving documentation must be retained in employee's file for future auditing review.

### 9.1 Pay Rate Changes

Pay rate changes involve changing an employee's salary step/rate and are most commonly triggered when:

- An employee is due for a salary step increase

NOTE: Step increases are handled directly by department payroll/personnel staff, and only mass pay rate changes are processed in People & Pay by the Systems Division

- An employee is promoted
- The compensation rate for an employee in a management class is adjusted to a different rate within a salary range, or from one salary range to another
- A scheduled salary step increase based on Memorandum of Understanding (MOU) rules needs to be implemented

Department personnel staff are responsible for entering pay rate changes into People & Pay. The only exception is MOU-scheduled increases, which are updated as part of a mass process by the Systems Division with assistance/guidance from DHR. Some pay rate changes require approval from the Controller's Office or Mayor's Budget Office, depending on the MOU involved. Others can be entered by the department without outside approval. The Department of Human Resources (DHR) periodically runs audit reports on the Pay Rate Changes entered into the system to verify the accuracy of the data.

Pay Rate changes are entered into People & Pay using one of the following Action/Action Reason combinations (refer to the People & Pay UPK for more information):

- **PAY/ADJ - *Pay Adjustment*:** Used to correct the pay rate change of employees who have been approved for Appointment Above Entrance. Requests are usually approved after the effective date of hire. This Action Reason is used strictly for Salary Steps.
- **PAY/ATB - *Across the Board*:** Used to update Salary Information due to MOU scheduled increases. This Action Reason row is inserted by a custom process that handles Across the Board updates. This process is run by the Systems Division, working with DHR.



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- **PAY/SPA - *Special Pay Assigned*:** Used to enter an approved Acting Assignment Pay, Supervisory Differential Pay or Motorcycle Pay based on MOU rules.
- **PAY/SPC - *Special Pay Completed*:** Used to end an employee's Acting Assignment Pay, Supervisory Differential Pay or Motorcycle Pay.
- **PAY/OFZ - *Update FLSA Status*:** Used to allow an employee to receive overtime pay when their job code is not normally eligible for overtime pay. Also used to stop allowing overtime pay for the employee. This is otherwise known as removing or reinstating the "Z" symbol and must have DHR approval each fiscal year.
- **PAY/EXS - *Extended Steps*:** Used to allow an employee to move into a salary step identified as an extended step, when their job class allows for extended steps. This type of step progression is different from a regular step progression in that it is performance based and requires approval from DHR. It may be removed at the department's discretion. This Action Reason is also used whenever an employee is moving from one extended step to another extended step, or moving from an extended step back to a regular step.
- **PAY/SPG - *Step Progression*:** Used to enter a scheduled step increment based on MOU rules. This Action Reason is used strictly for salary step progression.
- **DTA/UPD - *Update Job Data*:** Used to update a management employee's salary.
- **Earlier Effective Dated Transactions:** There are situations where a pay rate change needs to be entered after the date it became effective. These entries must be handled using one of the following two methods:
  - If the effective date for the pay rate change is equal to or later than the effective date of the current row on the employee's job data, the department is able to enter the transaction as usual. Effective sequencing may be required if there is more than one transaction per date.
  - If the effective date for the pay rate change is earlier than the effective date of the current row on the employee's job data, the department must contact the Systems Division to enter the required row if allowed. Effective sequencing may be required.

**NOTE:** Pay Rate Changes cannot be backdated to a date prior to the beginning of the current pay period. If a department misses a pay change that should be entered into Job Data, the department should:

- Enter the row in Job Data as soon as possible using an **Effective Date** of the first day of the active pay period



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- Create a *Note* on the Job Data row indicating what the correct Effective Date of the action should have been
- Department submits a *Problem Description Form* (PDF) to Payroll Division for the missed pay period(s) as soon as possible

When the Payroll Division receives the PDF, the Adjustment Unit staff will review Job Data and the Effective Dated row and the comments in the *Note* entered by the department.

**It is important to emphasize that all pay rate changes must be properly documented and follow the requirements of the DHR Classification & Compensation Manual and/or MOU. Before entering pay rate changes into People & Pay, department personnel staff must ensure it has necessary records and approvals to authorize the change.**

Any adjustment requests for pay rate changes must be submitted to the Payroll Division with the following documentation:

- *Problem Description Form* (PDF)
- *Payroll Register*
- *Multiple Pay Period Adjustment Worksheet*, if necessary
- For a promotion at a higher step, a letter from DHR or department head
- Relevant page(s) from the MOU

### **9.1.1 Salary Step Increase**

Department personnel staff enter step increases using the following People & Pay Action/Action Reason:

- PAY/SPG: *Pay Rate Change / Step Progression*

Note: This Action Reason should not be used to update the salary of employees in management classes, or to move employees to/from an extended step.

Departments are responsible for entering all PAY/SPG job data rows. People & Pay report MRG\_HR0185\_EE\_MERIT\_INCR\_REMND is available to help departments identify employees who are due for a step increase. DHR periodically runs audit reports on all step increments to verify the accuracy of the data entered by departments.



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### **9.1.2 Management Classification & Compensation Plan (MCCP) Pay Rate Change**

**Overview.** The Management Classification and Compensation Plan (MCCP) was developed by DHR to restructure the way CCSF management positions are classified and compensated. The MCCP replaced over 250 separate management classes with 18 new management levels and 11 expanded pay ranges. The MCCP consists of a series of 18 broad classifications and pay levels: five (5) Department Head, five (5) Deputy Director, and eight (8) Management classes. The MCCP's classes have a 45% open salary range. Each salary range is divided into 3 distinct sections—A (25% range), B (15% range), and C (5% range).

Appointments and adjustments in MCCP salary range A do not require approval from outside the department. Appointments and adjustments in salary ranges B and C are subject to approval by the DHR, the Controller's Office, and the Mayor's Budget Office. Once the necessary approvals are received, departments are responsible for implementing the pay rate change in People & Pay and keeping supporting documentation in their files.

**Procedure.** An approved *MCCP Salary Assignment Form* will notify the department personnel staff that a salary change needs to be implemented. Department personnel staff change an MCCP employee's salary rate and/or salary grade for the appropriate salary range by using the following People & Pay Action/Action Reason:

- DTA/UPD: *Data Change/Update Job Data*

Enter a row in Job Data for the DTA/UPD transaction. Since salaries in management job codes are not determined by salary steps, the department must enter the determine the salary rate that falls within the specified salary range. DHR Classification and Compensation Unit runs audit reports on salary grade updates to ensure proper use of this transaction.

### **9.1.3 Extended Step Progression**

An extended step progression differs from a normal pay rate change in that it is performance-based and requires approval from the Department of Human Resources (DHR). Only certain job classifications are eligible for extended steps; please refer to the MOU or contact DHR Classification and Compensation Unit to determine whether an employee is eligible.

Extended step progression may be removed by the department at its discretion, without DHR approval. Department payroll/personnel staff enter the extended step into People & Pay by using the following Action/Action Reason:

- PAY/EXS: *Pay Rate Change/Extended Steps*

A PAY/EXS row is required for any of the following situations:



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- Employee has been approved to move into an extended step
- Employee has been approved to move from an extended step to another extended step
- Employee moves from an extended step back to a regular step
- Employee's extended step approval expires

Departments are responsible for entering all PAY/EXS job data rows. DHR periodically runs audit reports to monitor Extended Step transactions.

### 9.2 Additional Pays

**Overview.** Additional pay — also known as special pay, premium pay, or incentive pay — is used to compensate an employee when certain eligibility requirements are met. Additional pays are earnings an employee receives every pay period for performing a specific duty or task, or for holding a specific certificate, license, or other qualification. For example, additional pays may be granted to employees who work on holidays; or who possess exceptional skills that justify additional compensation. Additional pays are classified by DHR and approved by the Board of Supervisors in the Annual Salary Ordinance (ASO).

Additional pays can be paid based on a percent of salary or as a set additional amount above the employee's regular salary. Additional pay is added to the employee's payroll record and is included in the pay until it is end-dated or deleted from the employee record.

Additional pay is not:

- Used for regular or one-time payments, such as regular work or overtime
- Used for acting assignment pay
- Used for supervisory differential

Departments manage the entry and removal of additional pay for eligible employees when an employee is eligible to receive, or no longer eligible to receive, additional pay. Department payroll/personnel staff need to review and be knowledgeable about the various additional pay programs that apply to their employee job classifications.

**Procedure.** Department payroll/personnel staff assign additional pay when an employee becomes eligible to receive the pay. The employee is paid the additional pay on each payroll. The pay is generated even if there is no timesheet for the employee. The additional pay must be stopped in order to prevent the pay from being included with the employee's pay.





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Step-by-step procedures to implement various kinds of additional pay to an employee are provided in the People & Pay UPK. Most special pays are handled through People & Pay Time Entry on the Incentive Pay page.

**Reports.** People & Pay generates reports and queries to assist department payroll/personnel staff in managing the utilization of additional pays. These include:

- *Payroll & Deduction Register*
- *Special Pay Usage Report*
- *Special Pay Usage Report By Type & Dept*

### **9.2.1 Acting Assignment Pay**

Most of the City's Memoranda of Understanding (MOUs) have Acting Assignment Pay (AAP) provisions which allow for additional pay if there is a temporary (generally for less than one year) out-of-class assignment of an employee to perform the full range or substantial portion of normal day-to-day duties and responsibilities of a higher classification. In accordance with the Civil Service Rule Section 109.16.2, temporary out-of-class assignment means the assignment of an employee without change in class to perform the normal day-to-day duties and responsibilities of another classification. Records of such temporary out-of-class assignment shall be placed in the employee's personnel file. The record of temporary out-of-class assignments must be verified and approved by the Appointing Officer/designee **prior** to placement in the personnel file. Documents such as the assignment letter and acting assignment pay form can be used to substantiate temporary out-of-class assignments for purposes of participating in future examinations.

AAP is an additional pay based on a percent of salary. Typically, the salary adjustment is at least five (5) percent above the employee's base salary and cannot exceed the maximum step of the salary schedule of the class to which the employee is temporarily assigned.

#### Exceptions:

- Fire, Police, Project Mgr. – like-work, like-pay
- Local 21/MCCP – acting assignments based on top of entitlement range (not top of extended ranges or ranges B&C)
- MCCP – allows for short-term, post-appointment adjustments up to top of range C
- MEA Executive Management Unit – ineligible

The Acting Assignment provision of the MOU of the class to which the employee is appointed, not acting, is the applicable provision. Also, employees in an acting assignment are not eligible



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for supervisory differential pay. However, employees may be eligible for other premiums associated with the classification in which they are appointed, **but not** the classification acting. AAP is granted only if the position in a higher class is vacant and cannot be filled through a provisional, temporary, or permanent appointment. If the department does not currently have a position in its budget to authorize an acting assignment, the department must seek a supplemental to its ASO.

In order to be eligible for an acting assignment pay, the following are general conditions which are common to most of the MOUs:

- The assignment shall be in **writing** and the employee must be assigned to perform all or full range of the duties and responsibilities of a higher classification,
- The position to which the employee is assigned **must** be a budgeted one, and
- The employee is assigned to perform the duties of a higher classification for longer than ten (10) consecutive working days.

If you need additional guidance on the administration of Acting Assignment pay, contact DHR's Classification and Compensation Division.

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**Acting Assignment Pay**

MOU	Rate	After
Auto. Mach., L1414	5%	10 <sup>th</sup> consecutive work day
Build. Inspec.	5%	10 <sup>th</sup> consecutive work day
Craft Coalition	5%	10 <sup>th</sup> work day within 60 work day period
Electricians, L6	step of higher class, at least 5% above employee's base	10 <sup>th</sup> consecutive work day
Laborers, L261	5%	10 <sup>th</sup> consecutive work day
Oper. Eng., L3	5%	11 <sup>th</sup> consecutive work day
Painters	5%	10 <sup>th</sup> consecutive work day
Plumbers, L38	5%	10 <sup>th</sup> work day within 60 work day period
Stat. Eng., L39	full rate (for L39)	15 <sup>th</sup> work day in rolling 12 month period
TWU, L200	step of higher class, at least 5% above employee's base	10 <sup>th</sup> consecutive work day
TWU, L250-A, Auto.	"WU, L250-A, Auto	11 <sup>th</sup> consecutive work day
IFPTE, L21	5%	10 <sup>th</sup> consecutive work day
Team. L856, Misc.	5%	10 <sup>th</sup> consecutive work day
TWU, L250-A, Multi.	step of higher class, at least 5% above employee's base	10 <sup>th</sup> consecutive work day
MAA	-	-
MEA Misc.	5%	10 <sup>th</sup> consecutive work day



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SEIU Misc.	5%	10 <sup>th</sup> work day within 60 work day period
SEIU Nurses	step of higher class, at least 5% above employee's base	10 <sup>th</sup> work day within 60 work day period
Sup. Nurses	5%	10 <sup>th</sup> work day within 60 work day period
UAPD	5%	10 <sup>th</sup> consecutive work day
DA Invest. Assoc. (DAIA)	5%	11 <sup>th</sup> consecutive work day
Dep. Prob. Off. (DPOA)	5%	5 <sup>th</sup> work day
Deputy Sheriffs (DSA)	step of higher class, at least 5% above employee's base	10 <sup>th</sup> consecutive work day
IPOA	full rate	upon assignment
MSA	step of higher class, at least 5% above employee's base	10 <sup>th</sup> consecutive work day
	7.5%	upon assignment

\*As of July 1, 2017

**Procedure.** To request AAP, department payroll/personnel staff complete the following:

- Complete and submit the *Acting Assignment Pay Request Form* to Appointing Officer for approval. ([sfdhr.org/hrelibrary](http://sfdhr.org/hrelibrary))

After receiving the Acting Assignment Pay approval form, department payroll/personnel staff enters the additional pay transaction in People & Pay by using the following Action/Action Reason:

- PAY/SPA: *Pay Rate Change/Special Pay Assigned*

Departments are responsible for entering the Pay Rate Change/Special Pay Assigned (PAY/SPA) job data row in People & Pay and adding the appropriate special pay component for the employee. It is also the department's responsibility to keep all backup documentation in the employee's personnel file. DHR periodically runs audit reports on special pays to review data entered by departments.

The types of special pay that are entered using the PAY/SPA Action/Action Reason combination are AAP, Supervisory Differential Pay, and Police Motorcycle Pay. All other types of special pays are handled through time entry.

When an employee is no longer eligible to receive the additional pay, department payroll/personnel staff updates People & Pay by entering the following Action/Action Reason:

- PAY/SPC: *Pay Rate Change/Special Pay Completed*

PAY/SPC is used to end a special pay salary adjustment upon its completion. The special pays tracked in People & Pay system are Acting Assignment Pay, Supervisory Differential Pay, and Motorcycle Pay.



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Upon completion of a special pay, the department must enter an effective dated Pay Rate Change/Special Pay Completed (PAY/SPC) row in the employee's Job Data and delete the special pay from the Compensation page in People & Pay. DHR runs audit reports to ensure that departments are terminating special pays upon their completion.

**Adjustments.** Department payroll/personnel staff are responsible for processing AAP. The Payroll Division is contacted only to make adjustments to AAP in an already closed pay period. To request this adjustment, departments complete and submit to the Payroll Division Adjustments Unit the following required forms:

- *Problem Description Form (PDF)*
- *Multiple Pay Period Adjustment Worksheet*, if necessary
- *Payroll Register*
- *Approved Acting Assignment Request Form*
- Page(s) of DHR Compensation Manual and/or MOU authorizing AAP for the employee.

Upon receipt and review of the *PDF* and required supporting records, the Payroll Division will issue an extra payment of the AAP differential between the effective date and the date of the *PDF*.

Similarly, when an employee receiving additional pay has been overpaid, department payroll/personnel staff submits a *PDF* and a *Repayment Arrangement and Payroll Deduction Authorization Form* with required supporting records to the Payroll Division. The Payroll Division will add a negative additional pay to recover the overpayment or set up the employee for an offset.

### **9.2.2 Supervisory Differential Pay**

**Overview.** Most MOUs contain provisions for Supervisory Differential Pay (SDP). This special pay premium addresses salary inequities where an employee's salary range is less than the employee whom he/she supervises. Specifically, the salary grade of the supervisor must be less than one full grade (approximately five percent) over the salary grade, exclusive of any premium pay, of the employee(s) supervised. However, no more than a 10% adjustment can be made per fiscal year in order to achieve the 5% differential. If the differential is still present in the next fiscal year, and additional adjustment can be paid to achieve the 5% differential. This pay premium is granted annually at the beginning of each fiscal year, based on the fiscal year calendar (07/01/20XX – 06/30/20XX). The *Supervisory Differential Adjustment Request*



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*Form* is located at [sfdhr.org/hrelibrary](http://sfdhr.org/hrelibrary). If you need additional guidance on the administration of supervisory differential pay, contact DHR's Classification and Compensation Division.

**Procedure.** Departments are responsible for entering the Pay Rate Change/Special Pay Assigned (PAY/SPA) job data row in People & Pay and adding the appropriate special pay component for the employee. Once the *Supervisory Differential Adjustment Request Form* is completed with the required approval signatures, Departments should also maintain, with the completed form, an organizational chart documenting the permanent relationship between the supervisor's classification and the supervisee's classification.

Upon completion of a special pay, the department must enter an effective dated Pay Rate Change/Special Pay Completed (PAY/SPC) row in the employee's Job Data and delete the special pay from the Compensation tab in People & Pay. DHR runs audit reports to ensure that departments are terminating special pays upon their completion.

After receiving required approvals, department payroll/personnel staff enters the SDP transaction in People & Pay by using the following Action/Action Reason:

- PAY/SPA: Pay Rate Change / Special Pay Assigned

Department payroll/personnel staff are responsible for processing Supervisory Differential Pay (SDP). The Payroll Division is contacted only to make adjustments to SDP in an already closed pay period. To request this adjustment, departments complete and submit the following required forms to the Payroll Division's Adjustments Unit:

- *Problem Description Form* (PDF)
- *Multiple Pay Period Adjustments Worksheet*, if necessary
- Payroll Register
- Approved *Supervisory Differential Request Form* ([sfdhr.org/hrelibrary](http://sfdhr.org/hrelibrary))
- Relevant page(s) from the DHR Compensation Manual and/or MOU and authorizing SDP for the employee

### **9.2.3 Bonus / Meritorious / Allowance / Incentive Pays**

Bonuses, merit pay, allowances, and incentive pays are types of additional pays specified in MOUs for certain types of job classifications. If bonuses, meritorious awards, allowances, or incentives are to be paid, submit a *PDF* to the Payroll Division as follows:

Type of adjustment required



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Select the OTHER check box and specify the type of payment (bonus, meritorious, allowance, incentive).

### Briefly specify the problem

Write/type "the attached list of employees are eligible for" [type of special pay] pursuant to the attached MOU."

### Briefly describe the requested action

Write/type "please pay according to MOU."

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the *PDF* to the Payroll Division with the following required supporting records attached:

- *Multiple Pay Period Adjustment Worksheet*, if necessary
- Relevant page(s) from the MOU authorizing bonus/meritorious/allowance/incentive for the employee

## **9.3 Payoffs**

In certain circumstances, employees may receive payoffs that liquidate the accumulated unused balance in their compensatory time, vacation, and vested sick pay accounts.

### **9.3.1 Compensatory Time Off**

A compensatory time ("comp time") payoff is payment for unused comp time. The timing and rate of the payoff are dictated by Memorandum of Understanding (MOU) or other governing document. For eligible employees (when applicable), a comp time payoff can occur at the fiscal year-end, when a non Z employee is promoted or transfers to a different department, or when an employee separates from the City. The following instructions will be followed when comp time is to be paid off.

1. Obtain a copy of the *Lump Sum, Comp Time, Wellness, Vested Sick, Fire T&E Payout Form*
2. Enter the employee's name, employee and department numbers, regular hourly rate, job class, employee organization or union local number, and the reason for payment.



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3. Enter the employee's comp time hours to be paid and payoff amount
4. Obtain the employee's Appointing Officer's signature, date, and phone number
5. Attach required supporting records, including the relevant MOU or other governing document and the *Combined Leave Balance Report*.
6. Submit the *Lump Sum Vacation Pay/Vested Sick, Comp Time, Wellness, Fire Dept. T&E Form* and supporting records to the Payroll Division

The Payroll Division will process the payoff request. A comp time payoff amount will appear in the employee's pay advice as earning code CPO.

**9.3.2 Lump Sum Payoff for Separating Employees (Vested Sick Pay, Vacation, Compensatory Time, Wellness)**

**Overview.** Entitlement balance payouts are processed in People & Pay after a separating employee's final active pay period. Lump sum payouts must be processed within two (2) pay periods from the employee's last active pay period. Only eligible leave balances based on employee's MOU will be paid out.

**Lump Sum Vacation, Vested Sick, and Wellness payout for separating employees.**

Certain employees may be eligible for lump sum payout of vacation pay, vested sick pay, and wellness pay when they terminate. Employees must have at least one year of service to be eligible for vacation payout (see Section 16.11 of the Administrative Code for more details). To request this payout, do the following:

1. Complete the *Lump Sum Vacation Pay/Vested Sick, Comp Time, Wellness, Fire Dept. T&E Form*
  - In order to complete the form, you will need to refer to the People & Pay *Combined Leave Balance Report* for the employee's vacation balance, vested sick balance, and wellness balance. The *Combined Leave Balance Report* will reflect the accruals through the last pay period for which the employee was paid.
2. Attach a copy of the relevant pages of the MOU if paying out anything other than vacation.
3. In order to receive a wellness payout upon termination or resignation, the employee must have minimum years of service (see SFERS retirement years of service) or a disability letter from SFERS
4. Attach the *Payroll Register*



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### 5. Submit all records to the Payroll Division.

Employees that are eligible for lump sum payout of vacation pay, vested sick pay, compensatory time off, and wellness pay may choose to contribute to deferred compensation when they are terminated. Complete the tasks listed above, however, send all documents and Lump Sum Vacation Pay/Vested Sick, Comp Time, Wellness, Fire Dept. T&E Form to Deferred Compensation for approval. Once Deferred Compensation reviews and determines the contribution amount, Deferred Compensation will forward the Lump Sum Vacation Request Form to the Payroll Division for processing.

REMINDER: If the employee has not submitted a *Lump Sum Vacation Request Form* to your department, **departments must still contact SFDCP at [team.sfdcp@sfgov.org](mailto:team.sfdcp@sfgov.org) to validate if an employee has a form on file if the lump sum payout is \$500.00 or more.** This must also be documented appropriately on the *Lump Sum Vacation Pay/Vested Sick, Comp time, Wellness, Fire Department T&E form*. It is extremely important to determine if an employee has a final deferred compensation deduction on their payout, otherwise the contribution will not be deducted from their final pay and employee will not have the earnings deferred.

Once an employee's payroll has been processed into their bank account, constructive receipt has occurred and this transaction cannot be reversed. Section 451(a) of the Code and section 1.451-1(a) of the regulations provide that under the cash receipts and disbursements method of accounting, an item of gross income is includible in gross income for the taxable year in which the taxpayer actually or constructively receives it. Section 1.451-2(a) of the regulation further provides that income is constructively received when an amount is credited to an employee's account or made available to them without restriction. An employee does not need to have possession of it. If an employee authorizes someone to be their agent and receive income for them, they are considered to have received it when their agent receives it. Income is not constructively received if the employee's control of its receipt is subject to substantial restrictions or limitations (See IRS Publication 538).

## 9.4 Military Pay

Military leave pay (MLP) is used to pay employees for the work hours that occur during the first 30 calendar days of a military leave. Military leave that exceeds this is unpaid, unless the employee has arranged to use some other form of paid leave, such as vacation. Department payroll/personnel staff is responsible for making sure that:

1. The employee is eligible for military leave pay
2. The MLP hours do not exceed the allowable 30 days.





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Department payroll/personnel staff can post hours to MLP on the timesheet for eligible employees for 30 calendar days. If there is an error related to the posting of MLP hours, department payroll/personnel staff should complete a *PDF* as follows:

- If vacation pay was posted when an employee was eligible for military pay, submit a *PDF* requesting a symbol change
- If no hours were posted when an employee was eligible for military pay, submit a *PDF* correcting an under-payment.

Attach the completed *PDF* with the following required forms to the Payroll Division:

- *Multiple Pay Period Adjustment Worksheet*, if necessary
- *Payroll Register*

### 9.5 Settlements and Awards

Employees may be eligible for the payment of legal settlements, union grievance awards, and settlement awards. Payment of wages awarded through these processes are handled by the Payroll Division. Payment of damages are handled through the City Attorney in conjunction with the Controller's Accounting Division. To request the wages portion of settlements and awards, department payroll/personnel staff submit a *PDF* with supporting records to request settlements and award payments.

**Settlement awards.** To request a payout of a legal settlement or litigation award, submit the *PDF* as follows:

#### Type of adjustment required

Select the OTHER check box and write "settlement."

#### Briefly specify the problem

Provide a brief background of what happened.

#### Briefly describe the requested action

Write "Pay [\$ amount of settlement]."

Specify amount, type, taxes, and deductions.



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### Supporting records

- *Payroll Register*
- *Multiple Pay Period Adjustment Worksheet*, if necessary
- Executed *Settlement Agreement* with all required signatures or other legal documentation from the settlement

Fill in the PREPARED BY/PHONE NO./DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

**Grievance awards.** To request a payout of a union grievance settlement or award, submit the *PDF* as follows:

### Type of adjustment required

Select the OTHER check box and write "settlement."

### Briefly specify the problem

Provide a brief background of what happened.

### Briefly describe the requested action

Write "Pay [\$ amount of settlement]."

Specify amount, type, taxes, and deductions.

### Supporting records

- *Payroll Register*
- *Multiple Pay Period Adjustment Worksheet*, if necessary
- DHR Employee Relations Division Appointing Officer approval
- Executed *Settlement Agreement* with all required signatures or other legal document from the union settlement.



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Fill in the PREPARED BY / PHONE NO. / DATE lines and obtain the Appointing Officer's signature and date. To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature. Submit the signed *PDF*, attaching supporting records to the Payroll Division Adjustments Unit.

### 9.6 Uniform, Nurses' Expense, Tools, & Safety Shoes Allowance Pay

City employees who are required to wear a uniform as part of their regular work receive a flat amount to compensate them for their uniform-related expenses. The specific payment amount and payment timing is specified in relevant MOUs.

Department payroll/personnel staff should contact the Payroll Division Adjustment Unit to request issuance of uniform allowance, nurses' expense, tools and safety shoe allowance pay. Provide a copy of the department's pay via Excel spreadsheet to include: the employee's name, employee's DSW #, record number, amount, earning code, PDF, and the relevant page(s) from the MOU to process this request.

### 9.7 "Z" Symbol Suspension

**Overview.** In the City and County of San Francisco, the "Z" symbol applies to job classifications that have been deemed to be exempt from the overtime pay provisions established under the federal government's Fair Labor Standards Act (FLSA). FLSA-exempt employees in executive, administrative, or professional positions designated by a "Z" symbol in the Annual Salary Ordinance are not paid for overtime worked but shall be granted compensatory time off at the rate of one-and-one-half (1.5) times for time worked in excess of regular work schedules as defined by the MOU.

However, as authorized by and pursuant to the restrictions of the Annual Salary Ordinance, the "Z" symbol may be suspended to allow overtime payment, subject to the availability of funds, and pursuant to approval of the Director of Human Resources. The "Z" symbol may be suspended for individual positions in a classification. Employees in positions whose "Z" symbol have been suspended may not earn/accrue compensatory time for the duration of the suspension of the "Z" symbol.

The Annual Salary Ordinance (ASO) Section 1.3 EXCEPTIONS TO NORMAL WORK SCHEDULES FOR WHICH NO EXTRA COMPENSATION IS AUTHORIZED states:



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Occupants of the position specified by symbol -Z- shall work such hours as may be necessary for the full and proper performance of their duties and shall receive no additional compensation for work on holidays or in excess of eight hours per day for five days per week, but may be granted compensatory time off under the provisions of ratified applicable Memorandum of Understanding or ordinance. Provided that, subject to the fiscal provisions of the Charter and the availability of funds, the provisions of this section may be suspended to allow overtime payment, pursuant to approval of the Director of Human Resources. Overtime payments shall be limited to extraordinary circumstances which cannot be anticipated or provided through normal scheduling and assignment of available personnel. Further, such payment shall be limited to only those circumstances which are consistently applied to all personnel in a class, regardless of department.

MOUs also note the maximum balance of compensatory time off hours an employee is allowed to maintain and carryover into the next fiscal year. Suspension of "Z" symbol should not be used as a method to circumvent or unreasonably deny an employee the opportunity to take compensatory time off and should work with the employee to schedule and reduce compensatory time off balances.

**Procedure.** "Z" symbol employees normally are not eligible for paid overtime. However, in certain extenuating circumstances, the department may request to lift the "Z" symbol to allow these employees to be paid overtime. In order for a Suspension of "Z" Symbol to be approved, the following general criteria must be met.

1. The Department must justify why the suspension of "Z" symbol is required as a result of an extraordinary circumstances which cannot be anticipated or provided through normal scheduling and assignment of available personnel.
2. Request should be made either prior to or shortly after the onset of the unanticipated or emergency event or circumstance. Examples of extraordinary circumstances which cannot be anticipated or provided through normal scheduling and assignment of available personnel include natural disasters, fires, oil spills, the sudden death or illness of critical employee(s) etc.

Or

1. Response to exigent or extraordinary circumstances that can't be anticipated is inherent to duties and job responsibilities of the classification. (e.g. responding to structural damage as a result of earthquakes or responding to needs of victims of fire, abuse or violence)



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2. Mayor's Office imposed a 200 hour cap (approximately 10%) for emergencies. Assumption being, if work constituted more than 10% of the annual work time, then it implies the work is anticipated.
3. The number of hours approved should be the actual hours associated with the unanticipated event.

The department must submit to DHR a written request for "Z" symbol suspension citing reason. In addition, the following is a list of documents that the department should submit to DHR as part of its request:

1. Cover Letter or Memo from Department: This document should explain the details of the request, the affected employees and job class, and provide the departmental contact person if additional information is required by DHR. The memo should also include the telephone number of the contact person.
2. Any supporting records that would be pertinent to support the request.

After the Director of Human Resources (or designee) approves the suspension of "Z" symbol request and approved overtime hours, and the Controller's Office certifies the availability of funds to pay for overtime, department payroll/personnel staff can lift the "Z" symbol in People & Pay to post overtime hours for these employees using the following Action/Action Reason:

- **PAY/OFZ: *Pay Rate Change/Update FLSA Status***

NOTE: Overtime hours to be used with a "Z" symbol suspension are capped at 200 hours and each letter must specify a certain number of hours (e.g., 50, 100, 150, 200).

When the timeframe for the lifted "Z" symbol has concluded, department payroll/personnel staff enter this Action/Action Reason to reinstate the "Z" symbol.

## 9.8 Gift Cards

Gift cards are considered cash equivalents and they DO NOT meet the general requirements to exclude from income. They also are not excluded for length of service and safety achievement awards. To exclude from employee's income, the amount of the award must be deductible to the employer as a business expense which needs to meet general and specific requirements for the exclusion.



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If your department (or associated vendors) will be issuing gift cards to City employees, please contact the Controller's Office Payroll Division to set up the correct earn code to impute the income.

### **9.9 Raffle Prizes**

Per IRS Publication 17, winnings from lotteries and raffles are considered gambling winnings. In general, a raffle is considered a form of lottery. As such, a raffle general refers to a method for distribution of prizes among person who have paid for a chance to win such prizes.

Raffles prizes **MUST** be reported if the amount paid (reduced by the wager paid for a chance to win a prize) is \$ 600 or more; and (b) the payout is at least 300 times the amount of the wages.

If your department (or associated vendors) will be holding raffles for City employees, please contact the Controller's Office Payroll Division to discuss immediately.

### **9.10 Expense Reimbursement/Cash Advances**

When employees expense reimbursements/cash advances have been approved in the Financial System, the expenses reimbursements/cash advances will be paid through the People & Pay System. Final approval must be submitted in the Financial System by the close of business on the Pay Period End Friday. Employees will receive an email notification when their expense reimbursement/cash advance has been submitted and when approved. Expense reimbursements/cash advances will be processed and paid on the following Tuesday. Employees will receive an earnings statements for informational purposes to include a breakdown of types of reimbursements and/or a cash advance.

These reimbursements/cash advances will be processed as off-cycle payments, which must be done so not to deduct taxes or deductions. TALX/ePayroll only has the capability to upload the City's on cycle biweekly payroll advices. Therefore, Systems Division cannot submit a file to TALX/ePayroll for electronic view/print for these payments. Although the payment automatically posts in the Portal under *My Pay*, not all City employees have access and advices will be issued. This process reflects that same process for all off cycles payments. Once the entire City has access to *My Pay* through the Portal, advices will no longer be printed for off-cycle payments.

These advices will need picked up by the designated authorized person from your department for all payroll payments. Each department will need to follow their protocol for delivery to the employee, i.e. via payroll or another department (finance, accounts payable, etc.).



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As stated previously, no taxes or deductions are withheld from the expense reimbursement/cash advances and amounts will not be included in employee's Box 1, 3, 5 or 16 taxable wages on the *W-2, Wage and Tax Statement*.

If employees have any additional questions, they can be referred to either the Accounting Policies and Procedures Manual, their approving supervisor, or their finance department.

Additional Notes regarding Travel Time (non-commute)

If the employee is:

- FLSA Exempt - Employee can have travel time count toward work hours if during when one's normal work hours, but no additional compensation; don't compensate for travel on non-work days, even if during what are otherwise regularly scheduled hours.

- FLSA Covered - travel during regular work hours, even on days not regularly scheduled to work, is considered work (FLSA 29 § 785.39)



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# SECTION TEN: DISASTER PROCEDURES

## Purpose

Disasters can have a significant impact on how the City and County of San Francisco operates. If the Mayor declares an emergency, employees may take on new, temporary disaster service worker (DSW) roles and schedules to meet recovery needs. Payroll procedures will also change to record and process time entry, ensuring documentation is compliant with Federal Emergency Management Agency requirements. Along with the Payroll Division, the Office of the Controller's Accounting Operations Division will provide real-time instructions and direction to departments based on the specific type of disaster. This section provides an overview of what departments can expect during a disaster.

## Policy

Payroll-related policies may also change in response to a disaster. When an emergency is declared, the City's Emergency Operations Center Policy Group will convene to make decisions about vital City services. Based on the type and duration of the disaster, this group may make agreements with labor representatives, revise Civil Service Rules and/or pass legislation to temporarily suspend or alter some payroll provisions. The City may also decide to temporarily suspend or alter discretionary policies.

### 10.1 Payroll Procedure Coordination and Communication

In a disaster, the Office of the Controller will join with the City's other central agencies to coordinate recovery efforts from emergency command centers. Staff will be on hand to offer financial policy, guidance, and support during recovery. Finance and Administration Support will be reachable via telephone. All departments may contact the Controller's 24 Hour Duty Cellphone at any time during for payroll related emergencies.

Finance and Administration Support	Contact Information
Emergency Operation Center's Finance and Administration	415-558-2773
Controller's Department Operations Center	415-554-5400
Controller's 24 Hour Duty Cellphone	415-802-6854

The Controller's Office, including the Payroll and Accounting Operations Divisions, will use various methods to communicate directions and instructions to department payroll staff during the emergency and recovery period. This may include CCSF AlertSF's Finance and Admin Group list, a service that allows the City to contact employees using SFGov and personal email





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accounts, personal and business smartphones, and landline phones. The Payroll Division's Payroll User Group distribution list may also be used. To request staff be added to the distribution list, email names and contact information to [payrollmanagement@sfgov.org](mailto:payrollmanagement@sfgov.org).

### **10.2 Payment of Wages**

The rate and method in which an employee is paid will remain the same during a disaster with a few exceptions:

- Changes to pay may be deemed necessary by the Emergency Operations Center Policy Group and agreed to by labor representatives.
- Employees may be eligible for special pay
- Some employees must be paid for hours scheduled
- The method in which an employee is paid may be altered if an ACH transfer to their chosen financial institution is not possible

#### ***10.2.1 Special Pay***

In general, employees will continue to be eligible for overtime, compensatory time, premiums, and other special pays while performing disaster service worker duties. Employees working out of scope may also be eligible for additional pay like acting assignment pay, if the duties are associated with those of a higher paying classification and the conditions laid out in the appropriate MOU are met.

#### ***10.2.2 Pay for Hours Scheduled but Not Worked***

During the disaster and recovery period, some employees will receive pay for hours scheduled, but not worked because it was agreed to in the employee's MOU or because the employee is placed on paid sick leave in accordance with San Francisco Civil Service Rules. In absence of formal notification of changes, the following pay provisions will be effect:

MEA (Misc., Fire, and Police), MAA, Plumbers, Automotive Machinists, TWU Local 200, TWU Local 250A (7410), UAPD, Operating Engineers, Supervising Probation Officers, POA, Sheriff's Deputies and Managers, DA Investigators, Fire, Institutional Police Officers, H-1s

- Employees must be paid as hours worked (WKP) for all regularly scheduled hours.

#### Craft Coalition

- Employees will receive unpaid leave unless the Appointing Officer allows use of paid leave.



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- Employees who report to work and are told to leave receive a minimum of two hour pay (WK).

### Teamsters Local 856, Multi-Unit

- Employees will receive unpaid leave unless the appointing officer allows use of paid leave.
- Employees who are not notified to **not** report to work at least two hours before their shift begins receive a minimum of two hours pay (WKP).
- Employees who report to work and are told to leave receive a minimum of three hours pay (WKP).

### SEIU Misc., Local 21, Nurses, Laborers, Electricians, Supervising Nurses, Probation Officers

- Employees will receive unpaid leave unless the Appointing Office allows use of paid leave.
- Employees who are not notified to not report to work at least two hours before their shift begins receive a minimum of two hours pay (WK).
- Employees who report to work and are told to leave receive a minimum of four hours pay (WK).

### Paid Sick Leave

- Quarantine – The Department of Public Health or other authority may quarantine an employee. (Civil Service Rule 120.7.2)
- Compulsory – An employee may be placed on sick leave if the Appointing Officer has reason to believe that the employee is not physically or medically competent to perform assigned duties and may represent a risk to coworkers, the public, and the employee, until the employee presents a medical report from a physician designated by the Department of Human Resources certifying the employee's is able to return to work. (Civil Service Rule 120.23)

### **10.2.3 Distribution of Pay**

Employee pay will continue to be distributed via direct deposit or U.S. Bank Focus Pay Card. If an employee's chosen financial institution's ability to accept ACH transfers is affected by the disaster and unable to accept payment, the City may issue the employee's pay on a U.S. Bank Focus Pay Card.

## **10.3 Time Tracking**

During a disaster and the recovery process, departments will be directed to complete additional time tracking procedures. The Office of the Controller will provide federal time and duty tracking



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forms as well as disaster time tracking codes entered into People & Pay. People & Pay timesheets can be easily adjusted to display disaster related fields. The use of federal time and duty forms and disaster codes ensures all current City time tracking is FEMA compliant and will not need to be adjusted at a later date.

### 10.3.1 Adjusting People & Pay Fields

Department time trackers and self-service employees will be instructed to update People & Pay's timesheet layout to allow for disaster time tracking. This adjustment can be made on People & Pay's timesheet.

The screenshot shows the 'Timesheet' interface. At the top, there are fields for 'Employee ID', 'Empl Record 0', and 'Earliest Change Date 09/17/2016'. Below these are 'Actions' and a 'Select Another Timesheet' button. A 'View By' dropdown is set to 'Week', and a '\*Date' field shows '09/24/2016'. 'Scheduled Hours' and 'Reported Hours' are both 40.00. A 'Punch Timesheet' link is on the right. The main table shows dates from Saturday 9/24/2016 to Friday 9/30/2016. The 'Total' column shows 40.00. The 'Time Reporting Code' is '01 WKP - Regular Hours'. The 'Disaster Work Code' and 'Disaster Admin Cost Code' fields are visible at the bottom right of the table, each with a search icon and a plus/minus button.

To add Disaster Work Code and Disaster Admin Cost Code fields in People & Pay's timesheet:

1. Click on Personalize
2. Highlight Disaster Work Code on the list
3. Uncheck Hidden
4. Highlight Disaster Admin Cost Code
5. Uncheck Hidden
6. Click OK

### 10.3.2 Disaster Work Codes, Disaster Admin Cost Codes, and Comments Fields

Disaster Work Codes and Disaster Admin Cost Codes function similarly to combination codes. Work Codes indicate what the type of disaster related work the employee was performing and Admin Cost Codes indicate the type of funding from which the task will be paid. The Comments field allows the timekeeper or self-service employee to provide additional work and location detail.



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**Timesheet**

Employee ID  
Empl Record 0  
Earliest Change Date 09/17/2016



Actions ▾









Select Another Timesheet

\*View By Week Previous Week Next Week

\*Date 09/24/2016  

Scheduled Hours 40.00 Reported Hours 64.00 Punch Timesheet



From Saturday 09/24/2016 to Friday 09/30/2016 ? Personalize | Find |  |  First 1-4 of 4 Last






	Sat 9/24	Sun 9/25	Mon 9/26	Tue 9/27	Wed 9/28	Thu 9/29	Fri 9/30	Total	Time Reporting Code	Disaster Work Code	Disaster Admin Cost Code		
+ -			8.00	8.00	8.00	4.00		28.00	01 WKP - Regular Hours ▾	EA 		+ -	
+ -			4.00	4.00	4.00	4.00	4.00	20.00	OTP - Overtime Pay 1.5 ▾	EA 		+ -	
+ -							8.00	8.00	01 WKP - Regular Hours ▾	AC 	AC-DP1 	+ -	
+ -						4.00		4.00	01 WKP - Regular Hours ▾			+ -	

Timekeepers and self-service employees are able to search for codes by clicking on the magnifying glass next to the fields in the timesheet. However, the correct Disaster Work Codes and Disaster Admin Cost Codes will be provided to departments at the appropriate time. Disaster Work Codes are broken down into common categories of disaster related tasks. The Disaster Admin Cost Code list is more specific and has hundreds of options. Departments should instruct timekeepers and self-service employees to use only what is instructed.

NOTE: Department payroll staff should contact the Payroll Division if the codes provided appear to be incorrect.

Reported Time Status Summary Absence Exceptions Payable Time

Reported Time Status Personalize | Find |  |  1-5 of 5

Date	Reported Status	Total	TRC	Description	Sched Hrs	Add Comments
09/12/2016	Submitted	8.00	WKP	Regular Hours - Worked	8.00	
09/13/2016	Submitted	8.00	WKP	Regular Hours - Worked	8.00	
09/14/2016	Submitted	8.00	WKP	Regular Hours - Worked	8.00	
09/15/2016	Submitted	8.00	WKP	Regular Hours - Worked	8.00	
09/16/2016	Submitted	8.00	WKP	Regular Hours - Worked	8.00	

Comments fields are available after time is submitted. Timekeepers and self-service employees are required to submit comments, providing a summary of the disaster response work performed and the location of the work. After completing the summary, click save to attach the comment to the time entry.



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### **10.3.3 ICS and FEMA Forms**

Incident Command System (ICS) and FEMA forms are standardized documentation for tracking work specifically related to a disaster. The forms are necessary for cost recovery purposes and will be distributed during the disaster.

Two ICS forms are regularly used during a disaster. ICS 14 is an activity log to be completed by each employee for each shift. It documents the start and end of the shift, significant events, work performed, and how the work directly relates to the disaster. ICS 211 is a sign-in sheet documenting employee attendance. Department payroll staff will reconcile the information documented in the two forms with the timekeeping information in People & Pay.

FEMA Form 90-123, *Force Account Labor Summary Record* is completed by Department staff. It documents the dates and hours multiple employees worked and the cost breakdown. The *Force Account Labor Summary Record* must be supported by payroll records and other documentation.

### **10.3.4 Disaster Time Tracking for Interface Departments**

*Coming soon ...*

## **10.4 Prioritization of Payroll Activities**

In the event of a disaster, resources and staffing may be limited. The Payroll Division will give priority to essential, time-sensitive tasks like processing non-payments. Non-essential tasks may be delayed until resources and staffing allow. The Payroll Division will inform departments of any prioritization needs during the recovery period.

## **10.5 Department Disaster Planning**

Payroll processing is a critical function during a disaster and recovery. Being able to perform essential payroll tasks efficiently and in a timely manner require a significant amount of planning at the Departmental level, even with on-the-ground guidance from the Office of the Controller. The Payroll Division hosts a mandatory Disaster Training each fall for payroll staff. Additionally, the Office of the Controller, in partnership with the Department of Emergency Management holds a quarterly Department Operations Center Finance and Administration Section Training focusing on communication, payroll, purchasing, cost tracking, and public finance. It is highly recommended that Chief Financial Officers and Payroll Supervisors attend the training. More information about the Department Operations Center Finance and Administration Section Training at <http://sfcontroller.org/sfprepared>



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## APPENDICES

### Appendix A: Glossary of Acronyms and Abbreviations

Acronym / Abbreviation	Full Name
AAP	Acting Assignment Pay
AM	People & Pay Absence Management
AP	Assault Pay
ASO	Annual Salary Ordinance
CalPERS	California Public Employees Retirement System
Cat III	Catastrophic Illness
CCD	City and County of San Francisco Community College District
CCSF	City and County of San Francisco
CIP	Catastrophic Illness Program
Comp Time	Compensatory Time
Courts	San Francisco Superior Court
CRT	San Francisco Superior Court
CSC	City and County of San Francisco Civil Service Commission
CYE	Calendar Year End
DHR	City and County of San Francisco Department of Human Resources
DP	Disability Pay
DPH	City and County of San Francisco Department of Public Health
DWC	California Department of Industrial Relations – Division of Workers' Compensation
FAQ	Frequently Asked Question
FICA	Federal Insurance Contributions Act
FLSA	Federal Fair Labor Standards Act
FMLA	Federal Family and Medical Leave Act



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<b>Acronym / Abbreviation</b>	<b>Full Name</b>
FTB	State of California Franchise Tax Board
FYE	Fiscal Year End
GAO	United States General Accounting Office
HI	Federal Hospital Insurance
HR	Human Resources
HSS	San Francisco Health Services System
IRS	United States Internal Revenue Service
MCCP	City and County of San Francisco Management Classification and Compensation Plan
MEA	City and County of San Francisco Municipal Executives' Association
MLP	Military Leave Pay
MOU	Memorandum of Understanding
MUNI	San Francisco Municipal Railway
NRA	Non-resident Alien
OASDI	Federal Old-Age, Survivors, and Disability Insurance
PARS	Public Agency Retirement Services
PCS	Permanent Civil Service
PDF	Problem Description Form
PERS	California Public Employees Retirement System
POI	People & Pay Person of Interest
PRP	People & Pay Paid Parental Leave Code
PY	People & Pay Payroll
SDI	California State Disability Insurance
SDP	Supervisory Differential Pay
SFDCP	City and County of San Francisco Deferred Compensation 457(b) Plan
SFERS	San Francisco Employees Retirement System
SFMTA	City and County of San Francisco Municipal Transportation Agency



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Acronym / Abbreviation	Full Name
TL	People & Pay Time and Labor
TRC	People & Pay Time Reporting Code
UPK	People & Pay User Productivity Kit
USD	San Francisco Unified School District
WCU	People & Pay Workers' Compensation Code; OR Department of Human Resources – Workers' Compensation Unit
Workers' Comp	Workers' Compensation
WSP	People & Pay Workers' Compensation Supplementation Pay Code





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## Appendix B: Paid Leave Balances, Anniversary Dates and Access to Paid Leave for Rehired Employees

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### PAID LEAVE BALANCES, ANNIVERSARY DATES AND ACCESS TO PAID LEAVE FOR REHIRED EMPLOYEES

SICK LEAVE		
Employees separated <b><i>before the 90<sup>th</sup> day</i></b> of employment		
if <b><i>ever</i></b> rehired	<i>balance</i>	none
	<i>anniversary date</i>	date of rehire
	<i>access</i>	90 days following first day in paid status
Employees separated <b><i>on or after the 90<sup>th</sup> day</i></b> of employment		
rehired <b><i>within one year</i></b> of separation	<i>balance</i>	regain previous balance
	<i>anniversary date</i>	previous anniversary date
	<i>access</i>	date of rehire
rehired <b><i>after one year</i></b> of separation	<i>balance</i>	none
	<i>anniversary date</i>	date of rehire
	<i>access</i>	90 days following first day in paid status

VACATION		
Employees separated <b><i>within one year</i></b> of continuous service and that <b><i>have not</i></b> worked at least one year after having worked more than 1040 hours within a rolling 12 month period (for SEIU, Local 1021 Misc. and Local 21) (i.e., those <b><i>not</i></b> earning vacation at the time of their separation).		
if <b><i>ever</i></b> rehired	<i>balance</i>	none
	<i>anniversary date</i>	date of rehire
	<i>access</i>	one year of continuous service or one year after having worked more than 1040 hours within a rolling 12 month period (for SEIU, Local 1021 Misc. and Local 21)
Employees separated <b><i>after one year</i></b> of continuous service or those that <b><i>have</i></b> worked at least one year after having worked more than 1040 hours within a rolling 12 month period (for SEIU, Local 1021 Misc. and Local 21) (i.e., those <b><i>earning</i></b> vacation at the time of their separation).		
rehired <b><i>within six months</i></b> of separation	<i>balance</i>	none (as was cashed out upon earlier separation)
	<i>anniversary date</i>	previous anniversary date
	<i>access</i>	date of rehire
rehired <b><i>after six months</i></b> of separation	<i>balance</i>	none
	<i>anniversary date</i>	date of rehire
	<i>access</i>	one year of continuous service or one year after having worked more than 1040 hours within a rolling 12 month period (for SEIU, Local 1021 Misc. and Local 21)

### FLOATING AND IN-LIEU LEGAL HOLIDAYS

Employees rehired within the same fiscal year regain any unused floating and in-lieu holiday balances.

Employees rehired in a fiscal year subsequent to their separation lose any previous balances.



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### **COMPENSATORY TIME**

Upon separation,

- Non-"Z" and "L" Symbol (FLSA-covered): cashed out.
- "Z" Symbol (FLSA-exempt): all balances are cancelled and cannot be regained upon rehire.

### **HOLDOVERS**

Maintain balances, accrual rates and anniversary dates while on the holdover roster which are accessible if rehired while on the holdover roster. Those that elect to move from involuntary leave to involuntary layoff in order to cash out their vacation balances maintain their accrual rates and anniversary dates, but must pay the 2% contribution to the Retiree Health Care Trust Fund (RHCTF) if rehired.

### **SALARY ANNIVERSARY DATE**

Date of rehire.



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## **Appendix C: Benefit Eligibility by Appointment and Schedule Type**



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**Benefit Eligibility by Appointment and Schedule Type**

Appointment Type	Full-time		Part-time (≥20 hours per week)		Part-time (<20 hours per week)		As-Needed / Intermittent / Seasonal	
<b>Permanent Civil Service (PCS, TCS)</b>	Retirement	upon appointment	Retirement	upon appointment	Retirement	upon appointment	NA	
	Health	upon appointment	Health	upon appointment	Health	1040hrs in a rolling 12mths		
	Vacation	1yr. cont. service	Vacation	1yr. cont. service	Vacation	1yr. cont. service		
	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service		
	Holidays	upon appointment	Holidays	upon appointment	Holidays	depends <sup>12</sup>		
<b>Permanent Exempt (PEX)</b>	Retirement	upon appointment	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths	NA	
	Health	upon appointment	Health	upon appointment	Health	1040hrs in a rolling 12mths		
	Vacation	1yr. cont. service	Vacation	1yr. cont. service	Vacation	1yr. cont. service		
	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service		
	Holidays	upon appointment	Holidays	upon appointment	Holidays	depends <sup>12</sup>		
<b>Temporary Provisional (TPV)</b>	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths	NA	
	Health	upon appointment	Health	upon appointment	Health	1040hrs in a rolling 12mths		
	Vacation	1yr. cont. service	Vacation	1yr. cont. service	Vacation	1yr. cont. service		
	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service		
	Holidays	upon appointment	Holidays	upon appointment	Holidays	depends <sup>12</sup>		
<b>Temporary Exempt (TEX)</b>	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths	Retirement	1040hrs in a rolling 12mths
	Health	upon appointment <sup>3</sup>	Health	upon appointment <sup>3</sup>	Health	1040hrs in a rolling 12mths	Health	1040hrs in a rolling 12mths
	Vacation	1yr. cont. service	Vacation	1yr. cont. service	Vacation	1yr. cont. service	Vacation	never <sup>1</sup>
	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service	Sick Pay	90 <sup>th</sup> day of service
	Holidays	upon appointment	Holidays	upon appointment	Holidays	depends <sup>12</sup>	Holidays	never <sup>1</sup>



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<sup>1</sup> SEIU, Local 1021, Misc. and IFPTE, Local 21 employees are eligible if work more than 1040 hours in a rolling twelve month period.

<sup>2</sup> Never – employees scheduled for less than 20 hours in a pay period. Upon Appointment – employees scheduled for 20 or more hours in a pay period.

<sup>3</sup> Obtain upon appointment if reasonable expectation that will work 1,040 or more hours within 12 months of appointment; otherwise, 1,040 hours in a rolling 12 month period rule applies.

Vacation and Sick Pay Accruals – Vacation benefitted employees receive a retroactive allotment of vacation upon one year of service; employees accrue Sick Pay upon appointment, but do not gain access until 90th day of service.



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## **Appendix D: Mandatory Internal Controls Checklists**

- Employee Onboarding Process Checklist  
(Maintenance Week)
- Time Entry and Pay Process Checklist  
(Maintenance and Payroll Processing Week)
- Step Increases Process Checklist  
(Maintenance Week)
- Components of Pay Process Checklist  
(Maintenance Week)
- Adjustments Process Checklist  
(Maintenance Week)
- Medical Leave Process Checklist  
(Maintenance and Payroll Processing Week)
- Catastrophic Illness Process Checklist  
(Maintenance Week)
- Employee Separation Process Checklist  
(Maintenance and Payroll Processing Week)



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## EMPLOYEE ONBOARDING PROCESS CHECKLIST

(Maintenance Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control of payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 3 of the PPPM on “Personnel Data Entry Procedures” for detailed onboarding policies and procedures.

The payroll checklists to process new hires and transfer employees for People & Pay Direct Time Entry and Time Interface Departments begins on the following page.

### ***Onboarding Process Checklist***

- \_\_\_\_\_ 1. Receive the new hire’s offer letter. Determine whether the new hire is a transfer or promotion. If new to the City, proceed to step 2.
  - \_\_\_\_\_ 1.1. If the new hire is a transfer from another City and County of San Francisco department, or a transfer from San Francisco Unified School District (USD) or City College of San Francisco (CCD), refer to the ***Employee Transfer Process Checklist*** (below) for additional information. After completing these steps, proceed to step 2.
  - \_\_\_\_\_ 1.2. If the new hire is a promotion from within the department, complete a *Separation Request* from the old position.
- \_\_\_\_\_ 2. Review the offer letter to determine whether the new hire is entering above step “1”:
  - \_\_\_\_\_ 2.1. If the new hire’s step is other than “1”, then complete an *Appointment Above Entrance* letter obtaining the appropriate signatures.
  - \_\_\_\_\_ 2.2. Retain this letter in the new hire’s personnel/payroll file.



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- \_\_\_\_\_ 3. Calculate the new hire's merit increase due date, based on the MOU relevant to the job classification and list on the *DHR Appointment Processing* form
- \_\_\_\_\_ 4. Complete the *DHR Appointment Processing* form and submit it to DHR to complete the People & Pay template hire process.
- \_\_\_\_\_ 5. On the new hire's first day, complete the paperwork and document reviews:
  - \_\_\_\_\_ 5.1. Review the new hire's original Social Security card and confirm the Social Security number and that the name on the card matches People & Pay.
  - \_\_\_\_\_ 5.2. Review the documents provided by the employee for the Form I-9, Employment Eligibility Verification form. Complete form per instructions.
  - \_\_\_\_\_ 5.3. Receive the federal Form W-4 and the CA DE4 tax withholding forms and validate that the name and Social Security Number match the information on the Social Security card and employee's address in People & Pay.
  - \_\_\_\_\_ 5.4. Review with the new hire the department's policies and procedures.
- \_\_\_\_\_ 6. Ensure that employee's documents have been sent to the correct departments.
  - \_\_\_\_\_ 6.1. Send to the Payroll Division via interoffice mail the federal (W-4) and state (DE4) tax withholding forms and the Direct Deposit Authorization Form.
  - \_\_\_\_\_ 6.2. Send to Health Services System and Retirement the employee's appropriate forms.
- \_\_\_\_\_ 7. After DHR processes the *Appointment Processing* form, review the new hire's data entered into People & Pay to ensure that everything is correct.
  - \_\_\_\_\_ 7.1. Ensure that all tax-related data in People & Pay is correct; this is especially important if the employee is a non-resident alien.
  - \_\_\_\_\_ 7.2. Ensure that employee deductions in People & Pay are correct.
  - \_\_\_\_\_ 7.3. Ensure that the employee pay rate, step, job code, union code, roster number, Mail Drop ID, merit increase date, and combo codes (if applicable) in People & Pay are correct.
  - \_\_\_\_\_ 7.4. Ensure that the employee demographic information, such as emergency contact and personal data, in People & Pay is correct.
  - \_\_\_\_\_ 7.5. If necessary, notify DHR/the Systems Division to correct any errors found in People & Pay for the new hire that cannot be changed by the department's own HR/Payroll Office.





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- \_\_\_\_\_ 7.6. ***If you are a time interface department,*** the People & Pay system will generate a PIF file for your department. Download the PIF file and load it into your department's time and payroll information technology system. Review your time and payroll system to ensure that the new hire's data has been correctly entered.
- \_\_\_\_\_ 8. If the department HR/Payroll Office monitors the new hire's probation due date, calculate the new hire's probation due date (as per the employee's MOU) and set an automated reminder to notify the employee's supervisor/manager when the probation due date is approaching.



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***Employee Transfer Process Checklist***

- \_\_\_\_\_ 1. If the new hire is a transfer from another City and County of San Francisco department, then:
  - \_\_\_\_\_ 1.1. Obtain a copy of the *Separation Report* for the employee from the employee's previous department.
  - \_\_\_\_\_ 1.2. Obtain a copy of the *Employee Request for Transfer* form from the employee's previous department. If the form is correct, the department HR/Payroll Office signs it and submits it to DHR. NOTE: If the employee is transferring from another city department, there is no need to require new tax forms (W-4 or DE4) or Direct Deposit Authorization Form unless the employee indicates that it is necessary to update them.
- \_\_\_\_\_ 2. If the new hire is a transfer from San Francisco Unified School District (USD) or City College of San Francisco (CCD), then:
  - \_\_\_\_\_ 2.1. Provide the transferring employee incoming from USD or CCD with the Payroll Division's *Employee Change of Department Form*. The employee submits the form to the USD or CCD payroll office.
  - \_\_\_\_\_ 2.2. Receive the completed form from the USD or CCD payroll office. Use the information on the form to complete the Payroll Division's *Vacation/Sick Pay Adjustment Summary* and a *Problem Description Form (PDF)* to adjust the transferring employee's vacation, sick pay, and vested sick pay balances.
  - \_\_\_\_\_ 2.3. On Part 1 of the PDF, check OTHER and write "transfer from [USD or CCD]". Indicate the correct floating holiday and other absence balance amounts for the transferring employee. Obtain the necessary signatures on the PDF.
  - \_\_\_\_\_ 2.4. Provide the transferring employee incoming from USD or CCD with a copy of the *Information on Employees Transferring From USD or CCD*. The employee reads, signs, and dates the shaded portion of the form, and forwards it to the USD or CCD payroll office to complete the remainder of the form. Once the USD or CCD payroll office completes its portion of the *Information on Employees Transferring From USD or CCD*, the transferring employee should submit the form to the new Appointing Officer for signature.
  - \_\_\_\_\_ 2.5. Submit *Employees Transferring From USD or CCD, Vacation/Sick Pay Adjustment Summary Form*, and PDF to the Payroll Division Adjustments Unit.
  - \_\_\_\_\_ 2.6. Confirm that the employee's balances, benefit service date, and other data are correctly into People & Pay.
- \_\_\_\_\_ 3. Move to Step 2 to complete the Employee Onboarding Process Checklist



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## TIME ENTRY AND PAY PROCESS CHECKLIST

(Maintenance and Payroll Processing Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control or payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 4 of the PPPM on "Time Reporting Procedures" for detailed time reporting policies and procedures. On the following pages are two sets of checklists:

1. Time Entry and Pay for **Direct Time Entry and Self Service** Departments
2. Time Entry and Pay for **Time Interface** Departments.

Ensure that you are referring to the process checklist that applies to your Department.



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***Pay for People & Pay Direct Time Entry and Self Service Departments***

**MAINTENANCE WEEK:**

- \_\_\_\_\_ 1. Receive/audit employees' weekly timesheet and other required documents (such as overtime approval letter) by department payroll deadline.
- \_\_\_\_\_ 2. Review/audit timesheets and documents to ensure they are signed and approved.
  - \_\_\_\_\_ 2.1. Contact manager/supervisor to approve the timesheet if not already done.
  - \_\_\_\_\_ 2.2. If the timesheet is not approved before the payroll processing deadline, pull the employee's time from the pay run. Do not post the employee's time during this pay cycle. After the employee's timesheet is approved, process the employee's pay through an adjustment (*Problem Description Form*).
- \_\_\_\_\_ 3. For Direct Time Entry employees, key into People & Pay all exceptions to regular work (such as absences and leaves).
  - \_\_\_\_\_ 3.1. If an employee is using sick leave but does not have sufficient paid sick leave in his or her balance, post the remaining hours using unpaid sick. Contact the employee's Manager/Supervisor about the sick leave coding and insufficient paid sick leave balance.
  - \_\_\_\_\_ 3.2. If a non-sick leave balance is insufficient, contact the employee's Manager/Supervisor to resubmit the timesheet using an available leave type.
- \_\_\_\_\_ 4. Key any necessary premiums or additional pays using the appropriate assignment codes. Refer to the Time Reporting Code Quick Reference located in the SFGov Employee Gateway Portal – User Support Tab.
- \_\_\_\_\_ 5. Run the following *Direct Time Entry and Self Service Department Maintenance Week Reports* from People & Pay. Review and take necessary action on the reports information:
  - \_\_\_\_\_ 5.1. MRG\_PY\_EMPL\_MAIL\_DROP\_BY\_DEPT  
Lists active employees' mail drop ID by department sorted by employee ID.
  - \_\_\_\_\_ 5.2. MRG\_TL\_INCE\_PAY\_EMPL\_LIST  
Lists all employees in department with Additional Pay (Incentives) by pay period end date, sorted by employee ID.
  - \_\_\_\_\_ 5.3. MRG\_TL\_INCE\_PAY\_NOTACT\_EMPL  
Lists all inactive employees in department with Incentives on Additional Pay by pay period end dates.
  - \_\_\_\_\_ 5.4. MRG\_TL\_INCE\_PAY\_NOTEQL\_UNION  
Lists employees with Additional Pay that are not allowed by their Union



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(Workgroup). These Additional Pays must be made inactive or end-dated before payroll processing begins.

- \_\_\_\_\_ 5.5. Cross Dept EE Time Detail (TL0143)  
Lists time across departments for a range of dates by an employee who is changing departments, so that both departments can see time worked.
- \_\_\_\_\_ 5.6. MRG\_TL\_IN\_LIEU\_HOLIDAY\_BY\_DATE  
Lists holiday in lieu hours posted by employees by roster code for administering/monitoring allowed usage by MOU.

### TASK PROFILE DEPTS:

- \_\_\_\_\_ 6. MRG\_TL\_EE\_DFLTTSKPRF\_BY\_DEPT  
Captures any employees set up in the general Citywide default task profiles which could cause high severity errors.
- \_\_\_\_\_ 7. MRG\_TL\_EE\_TASK\_PROFILE\_BY\_DEPT  
Lists employees by roster code with the Task Profile ID as set up in *Maintain Time Reporter Data* page in People & Pay.

### PRODUCTION WEEK

- \_\_\_\_\_ 8. Receive employees' timesheets and other required documents (such as overtime approval letter) by department payroll deadline.
- \_\_\_\_\_ 9. Review/audit timesheets and documents to ensure they are signed and approved.
  - \_\_\_\_\_ 9.1. Contact employee's manager/supervisor to approve the timesheet is not already done.
  - \_\_\_\_\_ 9.2. If the time is not approved before the payroll processing deadline, pull the employee's time from the pay run. Do not post the employee's time during this payroll cycle. After the employee's timesheet is approved, process the employee's pay through an adjustment (*Problem Description Form*).
- \_\_\_\_\_ 10. For Direct Time Entry employees, key into People & Pay all exceptions to regular work (such as absences and leaves) by Tuesday afternoon.
  - \_\_\_\_\_ 10.1. If an employee is using sick leave but does not have sufficient paid sick leave in his or her balance, post the remaining hours using unpaid sick. Contact the employee's manager/supervisor about the coding and the insufficient paid sick leave balance.
  - \_\_\_\_\_ 10.2. If a non-sick leave balance is insufficient, contact the employee's manager/supervisor to re-submit the timesheet using an available leave type.



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- \_\_\_\_\_ 11. Key any necessary premiums or additional pays using the appropriate assignment codes by Tuesday afternoon. Refer to the Time Reporting Code Quick Reference located in the SFGov Employee Gateway Portal – User Support Tab.
- \_\_\_\_\_ 12. Conduct a random spot check of at least 10% of the timesheets entered into People & Pay before Wednesday at noon.
- \_\_\_\_\_ 13. Any time after a TIMEADMIN has completed, run the following *Direct Time Entry and Self Service Department Production Week Reports* from People & Pay. Review and troubleshoot errors and exceptions listed:
  - \_\_\_\_\_ 13.1. MRG\_TL\_PYBL\_TIME\_ND\_APPRVL\_PPE  
Lists self service employees who need approval
  - \_\_\_\_\_ 13.2. MRG\_TL\_RPTHRS\_NOTEQL\_STDHRS  
Lists employees where standard hours are not equal to reported hours.
  - \_\_\_\_\_ 13.3. MRG\_TL\_FT\_REGWUNPD\_HRS\_NOT\_80  
Lists full-time employees with reported time not equal to 80 regular hours. Correct timesheet, if needed.
  - \_\_\_\_\_ 13.4. MRG\_TL\_LWOP\_BY\_EMPL  
Lists employees with any Leave Without Pay (LWOP) hours during the pay period, sorted by employee ID including Roster/TL Group.
  - \_\_\_\_\_ 13.5. MRG\_TL\_EXCEPTION\_GRP  
Lists employees with exceptions by group. Must resolve high severity exceptions for the Time Administration process on the timesheet or employee will not be paid. Low severity exceptions should also be reviewed and corrected as needed.
  - \_\_\_\_\_ 13.6. MRG\_TL\_ESTIMATED\_EARNINGS\_DTLS  
Lists total hours and pay for the entire department by Roster and Time Reporting Code.
  - \_\_\_\_\_ 13.7. MRG\_TL\_EES\_WITH\_PAID\_TIME  
Lists employees with paid time by department.
  - \_\_\_\_\_ 13.8. MRG\_TL\_NO\_PAYABLE\_TIME  
Lists active and paid leave employees who have no payable time by department including roster.
  - \_\_\_\_\_ 13.9. MRG\_TL\_JOBCODE\_OVERRIDE  
Lists payable time with job code and job step overrides.
  - \_\_\_\_\_ 13.10. MRG\_TL\_PT\_GRTNAN\_STDHRS  
Lists part-time and as-needed employees with reported hours greater than two times their standard hours as shown in Job Data.



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- \_\_\_\_\_ 13.11. MRG\_TL\_WRKCOMP\_HRS  
Lists employees with Worker's Comp paid and/or unpaid hours.
- \_\_\_\_\_ 13.12. CCSF Payable Time Report (MTL0138)  
Lists the time on the timesheet by status selected for payable time.
- \_\_\_\_\_ 13.13. MRG\_TL\_COMP\_PLANS\_BAL\_BY\_DEPT  
Lists compensatory plan balances by employee for the department (by union code with current balance).
- \_\_\_\_\_ 13.14. MRG\_TL\_COMP\_PLANS\_BAL\_EMP  
Lists compensatory plan balances by employee with current balance.
- \_\_\_\_\_ 13.15. MRG\_TL\_COMP\_PLANS\_BAL\_GROUP  
Lists compensatory plan balances by roster code with current balance.
- \_\_\_\_\_ 13.16. MRG\_TL\_COMP\_PLANS\_PAID\_HRS  
Lists compensatory plan hours paid in the department (formerly known as the "Comptime Usage Report").
- \_\_\_\_\_ 14.MRG\_TL\_IN\_LIEU\_HOLIDAY\_BY\_DATE  
Lists holiday in lieu hours posted by employees by roster code for administering/monitoring allowed usage by MOU.
- \_\_\_\_\_ 15.MRG\_TL\_RPTD\_HOLIDAY\_ENTRIES  
List entries for LHP, HBE or HOE for employees by Pay Period End date to audit any entries made in error.
- \_\_\_\_\_ 16.MRG\_TL\_RPTD\_HOLIDAY\_HRS\_NOT\_8  
Lists entries for LHP, HBE, HOE for employees that are not equal to 8 hours for auditing any entries made in error.
- \_\_\_\_\_ 17.MRG\_TL\_RPTD\_HOL\_ON\_NON\_HOLIDAY  
List entries for LHP, HBE, HOE for employees on non-holidays for auditing entries.

TASK PROFILE DEPTS:

- \_\_\_\_\_ 18.MRG\_TL\_EE\_DFLTTSKPRF\_BY\_DEPT  
Captures any employees set up in the general Citywide default task profiles which could cause high severity errors.
- \_\_\_\_\_ 19.MRG\_TL\_EE\_TASK\_PROFILE\_BY\_DEPT  
Lists employees by roster code with the Task Profile ID as set up in *Maintain Time Reporter Data* page in People & Pay.
- \_\_\_\_\_ 20. If received from the Payroll Division, review the *Net Pay > \$6000 Report* and *Management Audit*, and/or *Salary Base Audit Report*, which are sent as an email with a spreadsheet attachment.



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- \_\_\_\_\_ 21. Return to the Payroll Division confirming that the reports have been reviewed and respond accordingly
  - \_\_\_\_\_ 21.1. If an employee's pay on the report is incorrect, indicate the correction that must be made in the response to the Payroll Division.
- \_\_\_\_\_ 22. Run People & Pay post-payroll submission reports and follow up on any errors or exceptions:
  - \_\_\_\_\_ 22.1. Payroll Register (MPY0145)
  - \_\_\_\_\_ 22.2. Combined Leave Balance Report (AM0035)- Review for employees maximum comp time hours.
  - \_\_\_\_\_ 22.3. Fiscal Year Overtime Tracking Report (PY0160b)
  - \_\_\_\_\_ 22.4. Employees Exceeding 1040 Hours Report.
- \_\_\_\_\_ 23. Send designated, authorized staff to the Payroll Division to pick up pay cards for the department.
- \_\_\_\_\_ 24. Distribute the pay cards to employees.





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***Pay for Time Interface Departments***

**MAINTENANCE WEEK:**

- \_\_\_\_\_ 1. Receive employees' weekly timesheet and other required documents (such as overtime approval letter) by department payroll deadline.
- \_\_\_\_\_ 2. Review timesheets and documents to ensure they are signed and approved.
  - \_\_\_\_\_ 2.1. Contact manager/supervisor to approve the timesheet if not already done.
  - \_\_\_\_\_ 2.2. If the timesheet is not approved before the payroll processing deadline, pull the employee's time from the pay run. Do not post the employee's time during this pay cycle. After the employee's timesheet is approved, process the employee's pay through an adjustment (*Problem Description Form*).
- \_\_\_\_\_ 3. Key into the department's time reporting/payroll system work hours and exceptions to regular work (such as absences and leaves).
  - \_\_\_\_\_ 3.1. If an employee is using sick leave but does not have sufficient paid sick leave in his or her balance, post the remaining hours using unpaid sick. Contact the employee's Manager/Supervisor about the sick leave coding and insufficient paid sick leave balance.
  - \_\_\_\_\_ 3.2. If a non-sick leave balance is insufficient, contact the employee's Manager/Supervisor to resubmit the timesheet using an available leave type.
- \_\_\_\_\_ 4. Key any necessary premiums or additional pays using the appropriate assignment codes. Refer to the Time Reporting Code Quick Reference located in the SFGov Employee Gateway Portal – User Support Tab.
- \_\_\_\_\_ 5. Conduct a random spot check of at least 10% of the timesheets entered into the department's time reporting/payroll system.
- \_\_\_\_\_ 6. Run the following *Time Interface Department Maintenance Week Reports* from People & Pay, and review and act on the report information:
  - \_\_\_\_\_ 6.1. MRG\_PY\_EMPL\_MAIL\_DROP\_BY\_DEPT  
Lists active employees' mail drop ID by department sorted by employee ID.
  - \_\_\_\_\_ 6.2. MRG\_TL\_TIME\_ROSTER\_CODES  
Lists assigned roster codes.
  - \_\_\_\_\_ 6.3. MRG\_TL\_INCE\_PAY\_EMPL\_LIST  
Lists all employees in department with Additional Pay (Incentives) by pay period end date, sorted by employee ID.



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- \_\_\_\_\_ 6.4.    MRG\_TL\_INCE\_PAY\_NOTACT\_EMPL  
Lists all inactive employees in department with Incentives on Additional Pay by pay period end dates.
- \_\_\_\_\_ 6.5.    MRG\_TL\_INCE\_PAY\_NOTEQL\_UNION  
Lists employees with Additional Pay that are not allowed by their Union (Workgroup). These Additional Pays must be made inactive or end-dated before payroll processing begins.
- \_\_\_\_\_ 6.6.    Cross Dept EE Time Detail (TL0143)  
Lists time across departments for a range of dates by an employee who is changing departments, so that both departments can see time worked.
- \_\_\_\_\_ 6.7.    MRG\_TL\_IN\_LIEU\_HOLIDAY\_BY\_DATE  
Lists holiday in lieu hours posted by employees by roster code for administering/monitoring allowed usage by MOU.

### PRODUCTION WEEK

- \_\_\_\_\_ 7.    Receive employees' timesheets and other required documents (such as overtime approval letter) by department payroll deadline.
- \_\_\_\_\_ 8.    Review timesheets and documents to ensure they are signed and approved.
  - \_\_\_\_\_ 8.1.    Contact employee's Manager/Supervisor to approve the timesheet is not already done.
  - \_\_\_\_\_ 8.2.    If the time is not approved before the payroll processing deadline, pull the employee's time from the pay run. Do not post the employee's time during this payroll cycle. After the employee's timesheet is approved, process the employee's pay through an adjustment (*Problem Description Form*).
- \_\_\_\_\_ 9.    Key into the department's time reporting/payroll system work hours and exceptions to regular work (such as absences and leaves).
  - \_\_\_\_\_ 9.1.    If an employee is using sick leave but does not have sufficient paid sick leave in his or her balance, post the remaining hours using unpaid sick. Contact the employee's Manager/Supervisor about the coding and the insufficient paid sick leave balance.
  - \_\_\_\_\_ 9.2.    If a non-sick leave balance is insufficient, contact the employee's Manager/Supervisor to re-submit the timesheet using an available leave type.
- \_\_\_\_\_ 10.   Key any necessary premium or additional pays using the appropriate assignment codes by Tuesday afternoon. Refer to the Time Reporting Code Quick Reference located in the SFGov Employee Gateway Portal – User Support Tab.



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- \_\_\_\_\_ 11. Conduct a random spot check of at least 10% of the timesheets entered into the department's time reporting/payroll system before Wednesday at noon.
- \_\_\_\_\_ 12. Run any pre-submission audit reports available in the department's time reporting/payroll system.
  - \_\_\_\_\_ 12.1. Review any items in the error report and resolve any errors.
- \_\_\_\_\_ 13. Generate the department's TIME FILE and begin processing your file to the Systems Division according to the time interface schedule deadline.  
(Note: a department may have more than one TIME FILE.)
- \_\_\_\_\_ 14. VALIDATE: Receive the People & Pay *Inbound Time Interface – Validate* report, which serves as an error log. Review and validate errors in order to complete the VALIDATE step.  
  
(Note: there will be an error log for each department code assigned to the department.).
- \_\_\_\_\_ 15. SUBMIT: Receive the People & Pay *Inbound Time Interface – Submit* report. Run the TIME FILE again and submit to the Systems Division.
- \_\_\_\_\_ 16. Time interface is complete after VALIDATE and SUBMIT. Receive the People & Pay *Manage Interface Exceptions* report.
- \_\_\_\_\_ 17. Receive the confirmation from the Systems Division that the TIME FILE has been successfully received.
- \_\_\_\_\_ 18. If a confirmation message is not received as expected, contact the Systems Division immediately.
- \_\_\_\_\_ 19. Run the following Production Week reports from People & Pay. Review and troubleshoot any errors or exceptions listed:
  - \_\_\_\_\_ 19.1. MRG\_TL\_RPTHRS\_NOTEQL\_STDHRS  
Lists employees where standard hours are not equal to reported hours.
  - \_\_\_\_\_ 19.2. MRG\_TL\_FT\_REGWUNPD\_HRS\_NOT\_80  
Lists full-time employees with reported time not equal to 80 regular hours. Correct timesheet, if needed.
  - \_\_\_\_\_ 19.3. MRG\_TL\_LWOP\_BY\_EMPL  
Lists employees with any Leave Without Pay (LWOP) hours during the pay period, sorted by employee ID including Roster/TL Group.
  - \_\_\_\_\_ 19.4. MRG\_TL\_EXCEPTION\_GRP  
Lists employees with exceptions by Time Reporting Group. Must resolve high severity exceptions for the Time Administration process on the timesheet or



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employee will not be paid. Low severity exceptions should also be reviewed and corrected as needed.

- \_\_\_\_\_ 19.5. MRG\_TL\_ESTIMATED\_EARNINGS\_DTLS  
Lists total hours and pay for the entire department by Roster and Time Reporting Code.
- \_\_\_\_\_ 19.6. MRG\_TL\_EES\_WITH\_PAID\_TIME  
Lists employees with paid time by department.
- \_\_\_\_\_ 19.7. MRG\_TL\_NO\_PAYABLE\_TIME  
Lists active and paid leave employees who have no payable time by department including roster.
- \_\_\_\_\_ 19.8. MRG\_TL\_JOBCODE\_OVERRIDE  
Lists payable time with job code and job step overrides.
- \_\_\_\_\_ 19.9. MRG\_TL\_PT\_GRTNAN\_STDHRS  
Lists part-time and as-needed employees with reported hours greater than their standard hours as shown in Job Data.
- \_\_\_\_\_ 19.10. MRG\_TL\_WRKCOMP\_HRS  
Lists employees with Worker's Comp paid and/or unpaid hours.
- \_\_\_\_\_ 19.11. CCSF Payable Time Report (MTL0138)  
Lists the time on the timesheet by status selected for payable time.
- \_\_\_\_\_ 19.12. MRG\_TL\_COMP\_PLANS\_BAL\_BY\_DEPT  
Lists compensatory plan balances by employee for the department.
- \_\_\_\_\_ 19.13. MRG\_TL\_COMP\_PLANS\_BAL\_EMP  
Lists compensatory plan balances by employee.
- \_\_\_\_\_ 19.14. MRG\_TL\_COMP\_PLANS\_BAL\_GROUP  
Lists compensatory plan balances by roster code.
- \_\_\_\_\_ 20. MRG\_TL\_COMP\_PLANS\_PAID\_HRS  
Lists compensatory plan hours paid in the department (formerly known as the "Comptime Usage Report").
- \_\_\_\_\_ 21. MRG\_TL\_IN\_LIEU\_HOLIDAY\_BY\_DATE  
Lists holiday in lieu hours posted by employees by roster code for administering/monitoring allowed usage by MOU.
- \_\_\_\_\_ 22. MRG\_TL\_RPTD\_HOLIDAY\_ENTRIES  
List entries for LHP, HBE or HOE for employees by Pay Period End date to audit any entries made in error.



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- \_\_\_\_\_ 23. MRG\_TL\_RPTD\_HOLIDAY\_HRS\_NOT\_8  
Lists entries for LHP, HBE, HOE for employees that are not equal to 8 hours for auditing any entries made in error.
- \_\_\_\_\_ 24. MRG\_TL\_RPTD\_HOL\_ON\_NON\_HOLIDAY  
List entries for LHP, HBE, HOE for employees on non-holidays for auditing entries.
- \_\_\_\_\_ 25. If received from the Payroll Division, review the *Net Pay > \$6000 Report* and *Management Audit, and/or Salary Base Audit Report*, which are sent as an email with a spreadsheet attachment.
- \_\_\_\_\_ 26. Return to the Payroll Division confirming that the reports have been reviewed and respond accordingly.
  - \_\_\_\_\_ 26.1. If an employee's pay on the report is incorrect, indicate the correction that must be made in the return message to the Payroll Division.
- \_\_\_\_\_ 27. During pay day week, run People & Pay post-payroll submission reports and take action on any errors or exceptions:
  - \_\_\_\_\_ 27.1. Payroll Register (MPY0145)
  - \_\_\_\_\_ 27.2. Combined Leave Balance Report (AM0035) - Review for employee's maximum comp time hours
  - \_\_\_\_\_ 27.3. Fiscal Year Overtime Tracking Report (PY0160b)
  - \_\_\_\_\_ 27.4. Employees Exceeding 1040 Hours Report.
- \_\_\_\_\_ 28. Send designated, authorized staff people to the Payroll Division to pick up pay cards for the department.
- \_\_\_\_\_ 29. Distribute the pay cards to employees.



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## STEP INCREASES PROCESS CHECKLIST

(Maintenance Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control of payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 9 of the PPPM on "Pay Rates & Additional Pay Procedures" for detailed step increase policies and procedures.

### ***Step Increases Checklist***

- \_\_\_\_\_ 1. Review the Memorandum of Understanding (MOU) for the employee's job classification to determine the employee's step increase dates when employee is hired, promotes or transfers to your department.
  - \_\_\_\_\_ 1.1. Certain departments (such as Public Health) have employee classifications that receive step increases based on hours worked. These classifications must be carefully tracked because the step increase dates cannot be calendared in advance.
- \_\_\_\_\_ 2. Ensure the applicable step increase date is entered in People & Pay's "next merit increase due date" field.
- \_\_\_\_\_ 3. Run queries in People & Pay every month:
  - \_\_\_\_\_ 3.1. Run query MRG\_HR0185\_EE\_NO\_MERIT\_INCR\_DT to identify employees with a blank value in the "next merit increase due date" field. Confirm that these employees no longer have step/merit increases.
  - \_\_\_\_\_ 3.2. Run query MRG\_HR0185\_EE\_MERIT\_INCR\_REMND to identify employees with a step increase date in the 60 days. Notify Supervisors and Managers of these employees' upcoming step increases, and determine that there are no issues. If the employee is not to receive the step increase, the Supervisor/Manager must notify Payroll and the employee 45 days before the increase is due.



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- \_\_\_\_\_ 4. Enter the step increase / pay rate change in People & Pay:
  - \_\_\_\_\_ 4.1. For non-management employees and employees not in extended steps, enter the step increase using the People & Pay Action/Action Reason "PAY/SPG: Pay Rate Change / Step Progression". Refer to the People & Pay UPK for detailed instructions for data entry.
  - \_\_\_\_\_ 4.2. For management positions in the Management Classification & Compensation Plan (MCCP) an approved *MCCP Salary Assignment Form* will notify the department HR/Payroll Office for a pay rate change. Enter the pay rate change using the People & Pay Action/Action Reason "DTA/UPD: Data Change / Update Job Data". Refer to the People & Pay UPK for detailed instructions for data entry.
  - \_\_\_\_\_ 4.3. If employee has components of pay such as incentive pay, additional pay, or premium pay, adjust the rate accordingly with the new step increase.
  - \_\_\_\_\_ 4.4. NOTE: People & Pay will pay the new rate as of the effective date entered into the system. If the new step increase is in the middle of the pay period, it will pay accordingly.
- \_\_\_\_\_ 5. After a step increase processes, enter the next date and step for the next step increase in People & Pay.
- \_\_\_\_\_ 6. When the top step is reached for the employee, be sure the "next step increase due date" field in People & Pay is blank.



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## COMPONENTS OF PAY PROCESS CHECKLIST

(Maintenance Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control of payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 9 of the PPPM on "Pay Rates & Additional Pay Procedures" for detailed components of pay policies and procedures.

Components of pay include:

- Acting assignment pay
- Appointment above entrance rate
- Supervisory differential pay
- Premiums
- Additional pays.

As a rule of thumb, incentive and some additional pays require a one-time setup in People & Pay, while other additional pays and premium pays are processed on the timesheet. The City's DHR authorizes differential pays and issues the *Compensation Manual* to specify how differential pays should be processed. The *Compensation Manual* must be followed by department HR/Payroll Offices.

### ***Components of Pay***

- \_\_\_\_ 1. Complete the required steps for acting assignment pay.
  - \_\_\_\_ 1.1. Follow your department's internal review process and gather any necessary documentation to complete the *Acting Assignment Pay Request Form*.
  - \_\_\_\_ 1.2. Once completed, the *Acting Assignment Pay Request Form* must be signed by the Appointing Officer or Designee.





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- \_\_\_\_\_ 2. If supervisory differential pay is being requested, the *Supervisory Differential Pay Form* must be completed with signatures from the employee's supervisor and the Appointing Officer or designee along with the following:
  - \_\_\_\_\_ 2.1. Current and official organization chart listing structure of department to include the supervising employee's name/position and the supervisee's name/position.
  - \_\_\_\_\_ 2.2. Cover letter briefly explaining the details of the request and contact person with telephone and fax number to the Department Head/Appointing Officer.
- \_\_\_\_\_ 3. If an additional pay (incentive) is being requested, the required documentation (such as an employee's certification) must be submitted.
- \_\_\_\_\_ 4. Enter the pay rate change in People & Pay per the Systems Division UPK instructions.
- \_\_\_\_\_ 5. Retain the authorizing pay form in the employee's personnel/payroll file. These forms are periodically audited by DHR and Controller's Office.
- \_\_\_\_\_ 6. Track when the differential pay is set to expire.
  - \_\_\_\_\_ 6.1. Acting assignment pay expires on different dates. Track the date in the department's automated notification system (MS Outlook or similar).
  - \_\_\_\_\_ 6.2. Supervisory differential pay expires at the end of the fiscal year. If it is to continue into the new fiscal year, the Manager must complete a new form for the next fiscal year.
  - \_\_\_\_\_ 6.3. Additional pays (incentive) expire at different times (such as when a certification expires). Track the date in an automated notification system (MS Outlook or similar).
- \_\_\_\_\_ 7. Review the Payroll Register the first payroll after the effective date of the differential pay to ensure it was paid accurately.
- \_\_\_\_\_ 8. Run the query MRG\_HR\_EE\_ADDL\_PAY in People & Pay every 90 days and in May (before fiscal year-end) to identify employees receiving components of pay. Review eligibility for components of pay and take action if needed.
- \_\_\_\_\_ 9. Run the query MRG\_TL\_INCE\_PAY\_EMPL\_LIST in People & Pay every 90 days to identify employees receiving additional pay. Review eligibility and take action if needed.
- \_\_\_\_\_ 10. Notify Managers in advance of when any differential pays are due to expire so they can take action if needed.



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## ADJUSTMENTS PROCESS CHECKLIST

(Maintenance Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control or payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 7 of the PPPM on "Pay Adjustment Procedures" for detailed adjustment policies and procedures. The checklists below summarize how both People & Pay Direct Time Entry and Time Interface Departments adjust payroll for:

- NON-PAYMENTS
- UNDERPAYMENTS / RETROACTIVE PAYMENTS
- OVERPAYMENTS
- DEDUCTION ERRORS
- PAY CARD RETURN AS UNDELIVERABLE
- SYMBOL CHANGES
- LEAVE BALANCE AND ENTITLEMENTS
- WORKERS' COMPENSATION AND ASSAULT PAY.



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### ***Non-Payment Adjustments***

If an authorized payment was not issued to an employee, obtain a *Problem Description Form* (PDF) and complete the following steps:

- \_\_\_\_\_ 1. On the PDF, select the NON-PAYMENT check box. Write "Employee was not paid" and attach a copy of the *Payroll Register* documenting the non-payment. Provide a reason for the nonpayment, such as:
  - The hours were not posted for the employee.
  - The hours were not submitted and/or approved through the self-service time entry process.
  - The new hire was not set up in the People & Pay system in time to be paid.
  - The employee's status was incorrectly recorded as "on leave" or "terminated".
- \_\_\_\_\_ 2. On the PDF, specify exactly how the employee should have been paid and calculate the amount of pay due. Complete the other required sections of the PDF.
- \_\_\_\_\_ 3. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 4. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 5. Submit the completed, signed PDF with required supporting documents attached, to the Payroll Division Adjustments Unit.



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### ***Underpayments / Retroactive Payments***

If an employee was paid but it was less than the correct amount, obtain a *Problem Description Form* (PDF) and complete the following steps:

- \_\_\_\_\_ 1. On the PDF, select the UNDERPAYMENT check box. If you are adjusting an underpayment that involves 3 or more pay periods, select the RETRO check box.
- \_\_\_\_\_ 2. Write/type the employee's job class, hourly rate, and shift percentage (if applicable). Provide a reason for the nonpayment, such as:
  - A lower than accurate number of paid hours or special pay hours was reported for the employee.
  - A higher than accurate number of non-paid hours was reported.
  - Not all hours were submitted and/or approved through the self-service time entry process.
  - There was a data entry error.
  - A lower than accurate pay rate was used; for example, a step increment, acting pay, or supervisory differential pay was missed.
  - A lower than accurate shift premium was used.
- \_\_\_\_\_ 3. On the PDF, show how the employee was actually paid by writing out the calculation on Part 2. The gross payment amount shown should match the dollar amount listed on the *Payroll Register*. Attach a copy of the *Payroll Register*.
- \_\_\_\_\_ 4. On the PDF, specify exactly how the employee should have been paid and calculate the amount of pay due. Complete the other required sections of the PDF.
- \_\_\_\_\_ 5. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 6. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 7. If the adjustment is a Retro, complete the *Multiple Pay Period Worksheet*. If the Retro is being requested for more than 25 employees at once, use a spreadsheet with the following fields:
  - Employee DSW number
  - Employee record number
  - Employee last name, first name



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- Job class
- TRC
- Pay amount
- Total.

\_\_\_\_\_ 8. Submit the completed, signed PDF with required supporting documents attached to the Payroll Division Adjustments Unit.

***Overpayment Adjustments***

If an employee was paid but it was less than the correct amount, obtain a *Problem Description Form* (PDF) and complete the following steps:

- \_\_\_\_\_ 1. On the PDF, select the OVERPAYMENT check box.
- \_\_\_\_\_ 2. Write the employee's job class, hourly rate, and shift percentage (if applicable). Provide a reason for the overpayment, such as:
- A higher than accurate number of paid hours or special pay hours was reported for the employee.
  - A lower than accurate number of non-paid hours was reported.
  - There was a data entry error.
  - A higher than accurate pay rate was used; for example, acting pay or supervisory differential pay was calculated incorrectly.
  - A higher than accurate shift premium was used.
- \_\_\_\_\_ 3. On the PDF, show how the employee was actually paid by writing out the calculation on Part 2. The gross payment amount shown should match the dollar amount listed on the *Payroll Register*. Attach a copy of the *Payroll Register*. There are 3 types of overpayment:
- Current year, partial overpayment.
  - Current year, whole check overpayment.
  - Prior year over-payment.
- \_\_\_\_\_ 4. On the PDF, specify exactly how the employee should have been paid and calculate the amount of pay due. Refer to Section 7.3 – Correcting Overpayments – in the PPPM for detailed instructions.



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- \_\_\_\_\_ 5. Contact the Payroll Division to verify the calculation and discuss the treatment of taxes on the overpayment.
- \_\_\_\_\_ 6. Contact the employee to determine whether the employee will repay the overpayment through a deduction according to the Repayment Arrangement and Payroll Deduction Authorization Form or a personal check.
- \_\_\_\_\_ 7. Complete the other required sections of the PDF.
- \_\_\_\_\_ 8. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 9. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same as the Appointing Officer's signature.***
- \_\_\_\_\_ 10. Submit the completed, signed PDF with required supporting documents attached and the completed Repayment Arrangement and Payroll Deduction Authorization Form to the Payroll Division Adjustments Unit.



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### ***Deduction Adjustments***

If an employee's gross pay is correct, but the net pay is wrong due to an incorrect mandatory, voluntary, or tax deduction, fill out the *Problem Description Form* (PDF) as follows:

- \_\_\_\_\_ 1. On the PDF, select the DEDUCTION check box.
- \_\_\_\_\_ 2. Write "Net pay is incorrect" and describe the reason this happened, for instance:
  - A desired deduction was not entered in People & Pay, or was entered incorrectly.
  - A deduction was taken before the date it was supposed to start.
  - A deduction was taken after the date it was supposed to be cancelled.
  - A tax withholding was incorrect because Disability Pay (DP) or Assault Pay (AP) was incorrectly reported.
- \_\_\_\_\_ 3. Indicate the type of deduction and the amount that was taken (or not taken) in error.
  - \_\_\_\_\_ 3.1. If the deduction error involved Health Benefits, contact HSS.
  - \_\_\_\_\_ 3.2. If the error involved DP or AP, list the paid-hours code that was incorrectly reported and the hours and dollar amount that were charged to it.
- \_\_\_\_\_ 4. On the PDF, specify exactly how the employee should have been paid and list the amount to be deducted or refunded.
- \_\_\_\_\_ 5. Complete the other required sections of the PDF.
- \_\_\_\_\_ 6. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 7. Obtain the Appointing Officer's signature and date on the PDF.

***To ensure that payroll adjustments are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same as the Appointing Officer's signature.***
- \_\_\_\_\_ 8. If the deduction error involves deferred compensation, submit the approved PDF to SFERS directly. SFERS will verify information and return the PDF to the Payroll Division for processing.
- \_\_\_\_\_ 9. For all other deduction errors, submit the completed, signed PDF with required supporting documents attached, to the Payroll Division Adjustments Unit.



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***Paycheck or U.S. Bank Focus Pay Card Return as Undeliverable***

If an authorized paycheck or a U.S. Bank Focus Pay Card cannot be delivered to an employee, fill out the *Problem Description Form* (PDF) as follows:

- \_\_\_\_\_ 1. On the PDF, select the OTHER check box.
- \_\_\_\_\_ 2. Write "Returning paycheck [specify number]" or "Returning pay card" and include the issue date and gross amount.
- \_\_\_\_\_ 3. Complete the other required sections of the PDF.
- \_\_\_\_\_ 4. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 5. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 6. Send the paycheck or U.S. Bank Focus Pay Card to the Payroll Division with the PDF. Do not write CANCEL on undeliverable paychecks.





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### ***Symbol Changes***

If an employee's gross pay and net pay are both correct, but an incorrect pay code (symbol) was charged, fill out the *Problem Description Form* (PDF) as follows. Be sure that a signed revised timesheet has been received as supporting documentation for the employee's file.

- \_\_\_\_\_ 1. On the PDF, select the SYMBOL CHANGE check box.
- \_\_\_\_\_ 2. Fill in the class and hourly rate in the "Briefly specify the problem" section.
- \_\_\_\_\_ 3. Write the hours and dollars, and the corresponding symbols, in the "Briefly describe the requested action" section. Refer to Section 7.9 – "Symbol Changes" in the PPPM for a detailed example.
- \_\_\_\_\_ 4. Complete the other required sections of the PDF.
- \_\_\_\_\_ 5. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 6. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 7. Submit the completed, signed PDF with required documents attached, to the Payroll Division Adjustments Unit.



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***Leave Balance and Entitlements Adjustments***

Use the *Vacation / Sick Pay Adjustment Form* when an employee's sick pay and / or vacation usage balances and entitlements need to be adjusted. To complete this form:

- \_\_\_\_\_ 1. In Section 1, enter the employee's ID number, record number, name, department ID number, department name, and pay period end date to be adjusted.
- \_\_\_\_\_ 2. In Section 2, explain why the adjustment is required; for example, the benefit service date was changed from [date] to [date].
- \_\_\_\_\_ 3. In Section 3, assemble and attach the supporting records and complete the boxes as follows:
  - \_\_\_\_\_ 3.1. SICK PAY BAL: Write the incorrect sick pay balance shown and what the sick pay balance should be. Calculate the difference.
  - \_\_\_\_\_ 3.2. VESTED SICK PAY BAL: Use this box only for employees who are eligible and whose balances are incorrect. Write the incorrect sick pay balance shown and what the sick pay balance should be. Calculate the difference.
  - \_\_\_\_\_ 3.3. SICK ENT ATD: Use this box to adjust sick pay entitlements. Write the incorrect sick pay entitlement balance shown and what the sick pay entitlement balance should be. Calculate the difference.
  - \_\_\_\_\_ 3.4. VACATION BAL: Write the incorrect vacation pay balance shown and what the vacation pay balance should be. Calculate the difference.
  - \_\_\_\_\_ 3.5. VACATION ENT ATD: Use this box to adjust vacation pay entitlement. Write the incorrect vacation pay entitlement balance shown and what the vacation pay entitlement balance should be. Calculate the difference.
- \_\_\_\_\_ 4. Sign your name as the Preparer, and write the date.
- \_\_\_\_\_ 5. Obtain the Appointing Officer's signature and date.  
***To ensure that payroll adjustments are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 6. Submit the completed, signed *Vacation / Sick Pay Adjustment Form* with required documents attached to the Payroll Division Adjustments Unit.
- \_\_\_\_\_ 7. When an employee's sick pay and / or vacation usage balances need to be adjusted for 2 or more consecutive pay periods, fill out the *Vacation / Sick Pay Adjustment Form for Multiple Pay Periods*. Attach the *Combined Leave Balance Reports* for the first and last pay periods being adjusted, and the *Payroll Register* for all pay periods being adjusted. Submit all three records to the Payroll Division Adjustments Unit.



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***Workers' Compensation (WC) & Assault Pay (AP) Adjustments***

When an employee's WC or AP hours or the hours used to supplement these benefits need to be corrected, submit paperwork as follows:

- \_\_\_\_\_ 1. If the WC or AP involves an overpayment or underpayment, fill out the *Problem Description Form* (PDF) and complete it as required for an overpayment or underpayment.
- \_\_\_\_\_ 2. If multiple pay periods need to be adjusted for WC or AP, use the *Multiple Pay Period Adjustment Worksheet* and attach it to a single PDF.
- \_\_\_\_\_ 3. After an employee has been on WC for more than 14 calendar days, Workers' Compensation pays benefits retroactively for any waiting period that occurred. Therefore, any paid-leave hours the employee used during the waiting period must be adjusted.
  - \_\_\_\_\_ 3.1. If the employee is supplementing, the paid-leave hours used during the waiting period are reduced and credited back to the employee's WSP account (if applicable). These reduced paid-leave hours are used to supplement the benefit paid during the waiting period. Submit a PDF to make necessary corrections.
  - \_\_\_\_\_ 3.2. If the employee is not supplementing, all of the paid-leave hours used during the waiting period are negatively adjusted and credited back to the employee's appropriate paid-leave account. Submit a PDF to make necessary corrections.
- \_\_\_\_\_ 4. On Part 1 of the PDF, check the WC / ASSAULT PAY box. If a symbol change is also being requested, also check the SYMBOL CHANGE box.
- \_\_\_\_\_ 5. On Part 2 of the PDF:
  - \_\_\_\_\_ 5.1. Write the employee's class and hourly rate and, if applicable, the shift percentage rate.
  - \_\_\_\_\_ 5.2. If the WC waiting period is being adjusted, write "Employee on Workers' Compensation for more than 14 calendar days."
  - \_\_\_\_\_ 5.3. If AP is being adjusted, write "AP approved."
  - \_\_\_\_\_ 5.4. Indicate how the employee was paid. Include the TRC, hours, and dollars. Check to see if the hours posted for the pay period being adjusted and the hours shown on the *Payroll Register* agree.
  - \_\_\_\_\_ 5.5. If the number of supplemental hours are to be adjusted, calculate the supplemental and WCU hours.



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- \_\_\_\_\_ 6. On Part 3 of the PDF, indicate how the employee should be paid. Include the TRCs, hours, and dollars.
- \_\_\_\_\_ 7. Submit the PDF with the following attached:
  - \_\_\_\_\_ 7.1. Payroll Register
  - \_\_\_\_\_ 7.2. Multiple Pay Period Adjustment Worksheet (if applicable)
  - \_\_\_\_\_ 7.3. Civil Service Commission approval of AP (if applicable)
- \_\_\_\_\_ 8. Sign your name as the Preparer, and write the date on the PDF.
- \_\_\_\_\_ 9. Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll changes are being properly authorized and complying with internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 10. Submit the completed, signed PDF with required documents attached, to the Payroll Division Adjustments Unit.

**Note Regarding PDFs**

After your department has received the *Yellow – Turnaround Copy* of the PDF with the Payroll Division's response, it is the department's responsibility to review the *Payroll Register* or *Combined Leave Balance Report* to ensure adjustments were processed accurately.



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## MEDICAL LEAVES PROCESS CHECKLIST

(Maintenance and Payroll Processing Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control or payroll operations have been established and implemented.**

Department HR/Payroll Offices should refer to Section 8 of the PPPM on "Disability Procedures" for detailed medical leaves policies and procedures.

The checklists below are for the following types of medical leave:

- STATE DISABILITY (SDI) & PAID FAMILY LEAVE
- FAMILY AND MEDICAL LEAVE ACT (FMLA)
- PAID PARENTAL LEAVE
- WORKERS' COMPENSATION



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### ***SDI/Paid Family Leave***

State Disability Insurance (SDI) is a program that pays benefits to employees who are off work because of a disability that is not work-related. For SDI purposes, a "disability" includes any illness or injury, either physical or mental, including pregnancy, childbirth, or related medical condition that prevents the employee from working.

Paid Family Leave (PFL) is a program that pays up to 6 weeks of benefits to employees who are off work in order to care for an eligible family member.

Both SDI and PFL are administered through the CA Employment Development Department (EDD). The administration of both programs is similar and the following checklist can be used for both SDI and PFL.

- \_\_\_\_\_ 1. On the 6<sup>th</sup> working day of an employee's absence, if the employee has been paying into State Disability Insurance (SDI) for the past 7 months, contact the employee using a suitable method of correspondence (e.g., mailing to the employee's home or sending via email per your department protocol):
  - \_\_\_\_\_ 1.1. *SDI Informational Notice*
  - \_\_\_\_\_ 1.2. *SDI Departmental Notification Form*
  - \_\_\_\_\_ 1.3. *Disability Insurance Provisions* brochure (State Publication DE 2515).
  - \_\_\_\_\_ 1.4. *Request for Leave Form*
- \_\_\_\_\_ 2. Beginning with the 8<sup>th</sup> calendar day of the employee's absence and during the SDI waiting period, unless the employee's *SDI Departmental Notification Form* is received and indicates that he/she will not be applying for SDI benefits, post the employee's scheduled hours to "SLP" or, if the employee chooses, vacation, compensatory time (requires the approval of the Appointing Officer), or floating holiday. If the employee has no paid-leave credits, post scheduled hours to "SLL".
  - \_\_\_\_\_ 2.1. If the employee's paperwork shows that he or she will not apply for SDI, contact the California Employment Development Department (EDD) to confirm that no SDI claim is open for the employee. If the employee is not applying for SDI, post scheduled hours to whichever paid-leave the employee wishes to use.
  - \_\_\_\_\_ 2.2. If the employee's paperwork wishes to supplement SDI with compensatory time, obtain the signature of the employee's Appointing Officer or designee, authorizing the use of comp time.
- \_\_\_\_\_ 3. After the SDI waiting period, determine the amount payable by SDI and the payment dates:



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- \_\_\_\_\_ 3.1. Contact EDD to receive the employee's weekly benefit amount. If EDD has not yet calculated the employee's weekly benefit amount, estimate the amount payable by SDI based on the employee's pay rate. (Generally, SDI provides about 55% of the employee's regular pay.) Assume the highest SDI weekly benefit amount.
- \_\_\_\_\_ 3.2. Identify the "claim effective date" on the SDI form to calculate the 7-day waiting period (including weekend days) before SDI applies. Identify the SDI end date, which is 12 months from the "claim effective date".
- \_\_\_\_\_ 3.3. Calculate the SDI hours to be paid.
- \_\_\_\_\_ 4. Contact the employee and inform him/her that Payroll set up the employee's supplemental payment (45% of pay) using paid leave assuming that SDI will be approved.
- \_\_\_\_\_ 5. Follow the People & Pay UPK to post employee time while on SDI/Paid Family Leave.
  - \_\_\_\_\_ 5.1. If the employee is not supplementing, post scheduled hours to "SLL" or designated paid leave credits.
  - \_\_\_\_\_ 5.2. Inactivate and end-date any components of pay or additional pays while employee is on unpaid leave.
  - \_\_\_\_\_ 5.3. If the employee is supplementing, post the supplemental hours and the SDI hours.
  - \_\_\_\_\_ 5.4. If it is unknown whether the employee is supplementing, post to "SLL".
- \_\_\_\_\_ 6. When the employee applies for SDI (or Paid Family Leave), EDD will mail the *Notice of State Disability Claim Filed* (State Form DE 2503) to the department HR/Payroll Office. Complete the employer portion of the DE 2503 and return to EDD within 2 working days.
- \_\_\_\_\_ 7. Track the employee's leave to ensure that no more than 12 months of SDI is utilized.
- \_\_\_\_\_ 8. Ensure that if an employee is receiving SDI that:
  - \_\_\_\_\_ 8.1. She/he does accrue VA as long as SDI is being supplemented
  - \_\_\_\_\_ 8.2. She/he does not accrue SP while on SDI.



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**FMLA**

- \_\_\_\_\_ 1. Refer to the DHR's Family and Medical Leave Act Personnel Action Checklist (Revised 6/2006), available at:  
<https://sfdhr.org/Modules/ShowDocument.aspx?documentid=1736>
- \_\_\_\_\_ 2. Track the employee's use of FMLA for up to 480 hours (can be intermittent) of unpaid leave in any rolling 12-month period.
- \_\_\_\_\_ 3. Once paid leave is exhausted, work with HR to find alternate coverage for the employee. If the employee goes on unpaid leave, then:
  - \_\_\_\_\_ 3.1. Notify the employee that she/he must pay the employee's portion of health insurance premiums. Direct the employee to contact Health Services System to arrange payment.
  - \_\_\_\_\_ 3.2. Inactivate and end-date any components of pay or additional pays while employee is on unpaid leave.





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### ***Paid Parental Leave***

Paid Parental Leave (PPL) allows an employee to receive the equivalent of 12 weeks' salary while on a qualifying and approved leave following birth, adoption, or placement of a foster child with the employee's family. The policy also provides an additional four (4) weeks of benefits for employees who take leave for temporary pregnancy disability. Employees must apply to receive PPL; it is not an automatic benefit. Employees are responsible for providing advance notice of their need for parental leave. Except in the case of emergencies, leave must be requested with at least 30 days' notice.

Refer to the DHR "Paid Parental Leave Policy and Procedures" (dated January 1, 2003), for detailed information about this benefit.

- \_\_\_\_\_ 1. Receive the *Employee's Request for Family and Medical Leave Form* (DHR FMLA 1A form) to use Paid Parental Leave (PPL).
- \_\_\_\_\_ 2. Ensure the employee can use PPL:
  - \_\_\_\_\_ 2.1. Conduct a 12-month "look back" to ensure that the employee has not exhausted the allowable 12 weeks of PPL.
  - \_\_\_\_\_ 2.2. Confirm the employee is eligible for a family medical leave covered under the Family Medical Leave Act (FMLA), CA Family Rights Act (CFRA), Pregnancy Disability Leave (PDL), or other Civil Service Rules.
  - \_\_\_\_\_ 2.3. Confirm the employee has exhausted all paid leave accruals before receiving PPL. If not deduct the number of hours in leave accrual balances from the total available PPL supplemental pay. Effective November 4, 2015, Prop B allows employees to retain 40 hours of sick leave pay.
  - \_\_\_\_\_ 2.4. Confirm that employee meets the provisions and has been approved to receive PPL.
  - \_\_\_\_\_ 2.5. Execute agreement providing for repayment in the case of a voluntary separation that occurs six months after returning to work after a Paid Parental Leave.
- \_\_\_\_\_ 3. Submit time reports every pay period that an employee is on PPL.
  - \_\_\_\_\_ 3.1. The employee must first exhaust any and all paid time off (sick, vacation, comp time), administrative or executive leave, or floating holidays, before specifying Paid Parental Leave "PRP".
  - \_\_\_\_\_ 3.2. Ensure that vacation and sick leave continue to accrue during the period of PPL. Any accrued leave is used before the supplemental amount of PPL.
- \_\_\_\_\_ 4. Track the use of hours of PPL used by the employee:



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- \_\_\_\_\_ 4.1. PPL can be used intermittently by a birth mother for up to 16 weeks (12 weeks of PPL and an additional four weeks of PDL).
- \_\_\_\_\_ 4.2. PPL can be used intermittently by a non-birth parent for up to 12 weeks.
- \_\_\_\_\_ 4.3. If both the birth mother and non-birth parent are City employees, the 12 weeks of PPL benefit can be shared.
- \_\_\_\_\_ 5. If the employee is still on leave after PPL is exhausted, the department's HR representative contacts the employee to inquire if the employee will be returning to work or extending their leave.
- \_\_\_\_\_ 6. If necessary, change the employee to unpaid leave and:
  - \_\_\_\_\_ 6.1. Inactivate and end-date any components of pay or additional pay while employee is unpaid leave.
  - \_\_\_\_\_ 6.2. Notify the employee that she/he must pay the employee's portion of health insurance premiums. Direct the employee to contact Health Services System to arrange payment.
- \_\_\_\_\_ 7. If an employee voluntarily separates from City employment within six months of returning to work after a Paid Parental Leave, the amount of the supplemental compensation received will be treated as a loan and appropriate steps need to be taken towards repayment.



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### ***Workers' Compensation***

Workers' Compensation (Workers' Comp) is a benefit paid to employees when they are absent due to a work-related illness or injury. This benefit is paid by the Workers' Compensation Division of the Department of Human Resources (DHR). Workers' Comp benefits are non-taxable, and do not earn retirement service credits. There is no limit to the amount of time an employee may receive Workers' Comp.

- \_\_\_\_\_ 1. The employee's manager completes the California Department of Insurance (DIR) Form DWC-1 to report a workplace injury and submits the DWC-1 to the department's Workers' Comp carrier (for some departments, this will be Intercare; for other departments, this will be DHR's Workers' Compensation Unit).
- \_\_\_\_\_ 2. Receive approval from the department's Workers' Comp carrier or DHR's Workers' Compensation Unit.
- \_\_\_\_\_ 3. After the three-day waiting period, on the 3<sup>rd</sup> calendar day of an employee's absence, or if the employee has been hospitalized, or an employee has exhausted his or her City Disability Pay, and department HR/Payroll Office has learned that this employee will be making a Workers' Comp claim, send the *Workers' Compensation Supplementation Election Form* (Form 2016) to the employee using a suitable method of correspondence, e.g. mailing to employees home or sending via email per your department's protocol.
- \_\_\_\_\_ 4. Once the *Election Form* is received, identify and calculate the employee's Workers' Comp supplementation. Refer to PPPM Section 8.8 for detailed information about Workers' Comp supplementation and the creation of the Workers' Comp shadow account.
  - \_\_\_\_\_ 4.1. If the employee will be supplementing with sick pay, use the People & Pay code "WSP". Complete the *Workers' Compensation/SDI Supplementation Worksheet* (Form 2020) recording the number of sick pay credits the employee has on the day that Workers' Comp benefits begin. These credits become the beginning balance of the WSP manual account.
  - \_\_\_\_\_ 4.2. Once WSP is exhausted, if the employee will be supplementing with compensatory time, he or she must fill out *SDI Department Notification Form* and submit it to the Appointing Officer for approval.
  - \_\_\_\_\_ 4.3. Once WSP is exhausted, if the employee will be supplementing with vacation, he or she must fill out the *SDI Department Notification* and submit it to the department HR/Payroll Office within 7 calendar days of his or her first day of absence.
  - \_\_\_\_\_ 4.4. If the employee is receiving Workers' Comp because of a criminal assault, supplement with Assault Pay (AP) using the People & Pay code "ASP".
- \_\_\_\_\_ 5. Positively post the employee's hours while he or she is on Workers' Comp.



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- \_\_\_\_\_ 5.1. During the Workers' Comp waiting period of 3 calendar days, if the employee has paid-leave credits, post the time to "SLP" or, if the employee chooses, to vacation, compensatory time (with approval), or floating holiday. If the employee has no paid-leave credits, post all of the employee's standard hours to "SLL" during the waiting period.
- \_\_\_\_\_ 5.2. After the Workers' Comp waiting period, if the employee is not supplementing, post all of the employee's standard hours to non-paid hours code "WCU". If the employee is supplementing, post the supplementing hours and pay code. If the employee is supplementing with "WSP", **do not** post hours to "SLP".
- \_\_\_\_\_ 6. If the employee is on Workers' Comp for half a pay period or more, determine if the employee is participating in the Deferred Compensation Plan. If the employee has Deferred Comp, contact SFERS.
- \_\_\_\_\_ 7. If the employee is on the City's Disability Pay for more than half a pay period, determine if the employee is participating in the Deferred Comp Plan. If the employee has deferred comp, contact SFERS.
- \_\_\_\_\_ 8. If the employee is out for more than 14 calendar days, pay Workers' Comp benefits retroactively for any waiting period that occurred.
- \_\_\_\_\_ 9. Check the employee's vacation balance. Ensure that accruals are correct.
- \_\_\_\_\_ 10. When the employee returns to work:
  - \_\_\_\_\_ 10.1. Contact SFERS Deferred Comp .
  - \_\_\_\_\_ 10.2. If the employee has been using WSP, note the ending balance and record it in the employee's file in case there is a recurrence of the injury.
  - \_\_\_\_\_ 10.3. If the employee's vacation balance exceeds his or her maximum balance, submit a *Problem Description Form* to pay off the excess hours.
  - \_\_\_\_\_ 10.4. If the employee leaves City service instead of returning to work, fill out a *Request for Payment in Lieu of Vacation Form*.
- \_\_\_\_\_ 11. If an employee has a recurrence and goes back on Workers' Comp:
  - \_\_\_\_\_ 11.1. Waive the waiting period.
  - \_\_\_\_\_ 11.2. The beginning balance of the new WSP account becomes either the sick pay balance or any remaining WSP balance, whichever is less.
  - \_\_\_\_\_ 11.3. The current Workers' Comp benefit rate is used (may or may not be the same rate when the injury first occurred).
  - \_\_\_\_\_ 11.4. The employee's current pay rate is used to calculate supplemental hours.



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- \_\_\_\_\_ 11.5. Process the Workers' Comp benefit.
- \_\_\_\_\_ 12. If an employee who was previously on Workers' Comp experiences a new work-related accident or illness:
  - \_\_\_\_\_ 12.1. The waiting period is not automatically waived
  - \_\_\_\_\_ 12.2. The beginning balance of the new WSP account becomes either the sick pay balance or any remaining WSP balance, whichever is less.
  - \_\_\_\_\_ 12.3. Process the Workers' Comp benefit.



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## CATASTROPHIC ILLNESS PROCESS CHECKLIST

(Maintenance Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control or payroll operations have been established and implemented.**

The Catastrophic Illness (CAT ILL) program authorizes the transfer of sick leave and vacation credits from healthy employees to catastrophically ill employees, and also authorizes the transfer of vacation credits to individual employees with catastrophically ill family members. Employees can donate either to a specific employee or to the City's CAT ILL donation pool.

Department HR/Payroll Offices should refer to Section 4.3.5 of the PPPM on "Catastrophic Illness" for detailed policies and procedures regarding this benefit.

### ***Catastrophic Illness Checklist for People & Pay Direct Time Entry and Time Interface Departments***

- \_\_\_\_\_ 1. If a department employee or his/her eligible family member is catastrophically ill, instruct the employee to submit a CAT ILL application and submit it to the Department of Human Resources (DHR).
  - \_\_\_\_\_ 1.1. If the employee is approved by DHR to receive the CAT ILL benefit, DHR will notify the department HR/Payroll Office and the Payroll Division. The Payroll Division will add donated hours to the catastrophically ill employee's CAT ILL balance.
  - \_\_\_\_\_ 1.2. The department HR/Payroll Office continues to enter employee data into the time reporting system. During the pay period, the Payroll Division will make entries and allocations for the CAT ILL benefit on behalf of the employee and update People & Pay.
- \_\_\_\_\_ 2. If a department employee wishes to donate leave to someone suffering from a catastrophic illness, then:



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- \_\_\_\_\_ 2.1. Ensure the employee meets donation criteria:
  - 1) Must maintain at least 64 hours of sick leave balance
  - 2) Can only transfer a maximum of 160 hours per pay period, of which no more than 80 hours per employee
  - 3) Can only transfer a maximum of 480 hours per fiscal year.
- \_\_\_\_\_ 2.2. If the qualifying donor wishes to transfer sick or vacation hours to a catastrophically ill employee, complete the *Donor's Vacation/Sick Pay Transfer Form for Catastrophically Ill Employee* .
- \_\_\_\_\_ 2.3. If the qualifying donor wishes to transfer vacation hours to a catastrophically ill family member, complete the *Donor's Vacation Transfer Form for Catastrophically Ill Family Member*.
- \_\_\_\_\_ 2.4. Submit the appropriate donor form to the Payroll Division. The Payroll Division will maintain a pool of donated hours that are allocated during each pay period and make adjustments in People & Pay.



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## EMPLOYEE SEPARATION PROCESS CHECKLIST

(Maintenance and Payroll Processing Week)

The purpose of this checklist is to supplement the *Payroll Policies and Procedures Manual* (PPPM) and provide all City and County of San Francisco department HR/Payroll Offices with an outline of important tasks that must be completed to ensure that an employee is correctly entered into payroll systems and will be accurately paid and compensated with benefits.

**It is the responsibility of every department to establish and enforce its own detailed internal control procedures governing the processing of employee payroll in compliance with, and support of, these checklists. Department HR/Payroll Offices should use this checklist as a starting point to develop their own customized, department-specific checklists to ensure that staff knows the necessary steps to perform. Additions to these checklists should be appropriate to their agency operations and those procedures shall provide for systematic reviews to ensure that adequate control or payroll operations have been established and implemented.**

Employees may end their City employment due to a number of reasons, including: retirement, resignation, death, layoff, or termination. When the department HR/Payroll Office receives a copy of the employee's retirement approval letter, notice of termination, or resignation letter, or the department is notified of the employee's death, People & Pay must be updated to appropriately terminate the employee.

Entitlement balance payouts are processed in People & Pay during a separating employee's after final active pay period.

Department HR/Payroll Offices should refer to Section 3.6 of the PPPM on "Termination Procedures" for detailed separation policies and procedures.

### ***Separation Checklist***

- \_\_\_\_\_ 1. Receive notice of the employee's separation or death.
- \_\_\_\_\_ 2. Fill out the *Separation Report* and complete the People & Pay Termination Checklist. Send the *Separation Report*, Termination Checklist, and any related documentation regarding the employee's separation to DHR.
- \_\_\_\_\_ 3. After DHR updates job data, ensure the data are correct, particularly the Termination Effective Date.
- \_\_\_\_\_ 4. Delete any components of pay and end date any additional pays after the employee's last payroll.
- \_\_\_\_\_ 5. Review the *Payroll Register* to ensure the employee is no longer receiving pay past their Termination Effective Date.
- \_\_\_\_\_ 6. If the separated employee worked at least one year and the MOU allows, the employee can receive a lump sum payoff of any compensatory time off and/or





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accumulated vacation balance, with or without deferred compensation. Validate with SFDCP via email at team.sfdcp@sfgov.org if the employee has a *Lump Sum Vacation Request Form* on file for all lump sums of \$500.00 or more. Only vacation and compensatory time off are eligible for payoff.

- \_\_\_\_\_ 6.1. If the employee is eligible to receive a payoff for compensatory time payoff, vacation, vested sick, etc., thoroughly complete the *Lump Sum Vacation Pay/Vested Sick Pay, Comp Time, Wellness, Fire Training & Education Payout Form*. Attach required supporting documents, including the *People & Pay Combined Leave Balance Report* or the *Absence Balance Report*, and the relevant MOU if applicable.
- \_\_\_\_\_ 6.2. Complete a *Problem Description Form* (PDF). Obtain the Appointing Officer's signature and date on the PDF.  
***To ensure that payroll adjustments are properly authorized and complying with the internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
- \_\_\_\_\_ 6.3. Submit the completed, signed PDF with required supporting documents attached, to the Payroll Division Adjustment Unit.
- \_\_\_\_\_ 6.4. If the employee is eligible and chooses to deduct a portion of the payout to the Deferred Comp Plan, submit the signed PDF with required supporting documents attached to SFDCP.
- \_\_\_\_\_ 7. If the department HR/Payroll Office is notified of the death of an employee, then:
  - \_\_\_\_\_ 7.1. Contact the Payroll Division's Tax Unit at (415) 701-3400 and provide the deceased employee's name, DSW #, and date of death.
  - \_\_\_\_\_ 7.2. Do not post any hours for the deceased employee during the current pay period; instead, prepare a PDF indicating DECEASED and specify how the employee should be paid.
  - \_\_\_\_\_ 7.3. Sign your name as the Preparer, and write the date on the PDF.
  - \_\_\_\_\_ 7.4. Obtain the Appointing Officer's signature and date on the PDF. ***To ensure that payroll adjustments are properly authorized and complying with the internal controls, the PREPARED BY name should never be the same name as the Appointing Officer's signature.***
  - \_\_\_\_\_ 7.5. If the deceased employee is eligible to receive a payoff for compensatory time payoff, vacation, vested sick, etc., thoroughly complete the *Lump Sum Vacation Pay/Vested Sick Pay, Comp Time, Wellness, Fire Training & Education Payout Form*. Attach required supporting documents, including the *People & Pay Combined Leave Balance Report* or the *Absence Balance Report*, and the relevant MOU if applicable.



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- \_\_\_\_\_ 7.6. Submit all completed forms to the Payroll Division Tax Unit for processing. The Payroll Division will process the deceased employee's pay and disburse the money to the designated beneficiary. Department HR/Payroll Offices should refer all questions from beneficiaries regarding the deceased employee's pay to the Payroll Division's Tax Unit at (415) 701-3400.

**Note Regarding PDFs**

After your department has received the *Yellow – Turnaround Copy* of the PDF with the Payroll Division's response, it is the department's responsibility to review the *Payroll Register* or *Combined Leave Balance Report* to ensure adjustments were processed accurately.