Payroll Basics

FLSA timekeeping, recordkeeping basics, payroll deductions, and Commissioners’ Court approval.
Treasurer
Jennifer L. Henderson
Schleicher County Courthouse
(325) 853-2596
j.Henderson@co.Schleicher.tx.us
Took office 01/2015
Current Treasurer of CTAT
Fair Labor Standards Act (FLSA)

Requires proper wage payment, including minimum wage and overtime

Requires employees to properly complete timesheets
Fair Labor Standards Act:
The FLSA does six things

- Sets minimum wage
- Establishes overtime pay requirements
- Sets recordkeeping requirements
- Sets equal pay for equal work
- Restricts child labor- 
  14-15 year olds
  16-17 year olds
- Provides nursing mothers breaks
Fair Labor Standards Act:
The FLSA does not require

- Vacation, holiday, sick or severance pay
- Meal of rest periods (except nursing mothers)
- Premium pay for weekends or holidays
- No daily overtime is required
- Pay raises or fringe benefits
- Discharge notices or immediate discharge pay
- Limits to number of hours worked (except for under the age of 16)
Some (most) of these things may be covered in your handbook. But it's good to know what things are required and what things are discretionary for your County.

Jennifer Henderson, 10/4/2018
Defined Workweek
Non Law Enforcement

- Required for each employee
- 7 day (168 hour) recurring period
  - May begin on any day of week and any hour of day
- All time actually worked in workweek must be counted to determine if overtime has been worked (paid leave not counted)
- Each 7 day work week stands alone
Defined Work Period

Law Enforcement

- Required for each employee
- Can be 7 day/43 hour work period up to a 28 day/171 hour work period
- All time actually worked in work period must be counted to determine if overtime has been worked - paid leave not counted
- Each work period stands alone
Overtime

Non-Exempt Employees

- Hours actually worked over 40 hours
- OT paid at 1 ½ times hourly rate or compensatory time awarded at 1 ½ hours per hour worked
- They will receive comp time or pay depending on the county policy for actual hours worked
- Cannot give up their right to OT, if hours are actually worked

Law Enforcement

- All hours actually worked over the pay period standard
  - 7 day/43 hours
  - 14 day/86 hours
  - 28 day/171 hours
- OT paid at 1 ½ times hourly rate or compensatory time awarded at 1 ½ hours per hour worked
- Cannot give up their right to OT, if hours are actually worked
Comp Time

- Applies only to state and local government
- Employee can use at any time unless absence unduly disrupts department
- You can require employee to use at county’s convenience, and before use of vacation or sick time
- You must keep records
- Employee cannot lose comp time
  - Use it
  - Cashed out at any time by County choice
  - Paid at termination
- Maximum accruals allowed:
  - 240 hours except law enforcement
  - 480 hours all law enforcement
Salary Level
• If this in not met, automatically a non-exempt employee entitled to OT pay
• Current Threshold $455/week

Salary Basis
• Employee must receive a predetermined amount of pay each pay period
• Pay cannot be reduced because of quantity or quality of work performed

Job Duties
• Usually administrative in nature
• Also applies to certain professions: physician, attorney, CPA, RN, or teacher

Three tests for Exemptions
Not everyone receives overtime pay, but be careful. This is safest when Job Description and Job Offer stipulate a position being salaried and exempt from overtime.
Collect timesheets
- Paper or electronic

Calculations of pay
- Total worked
- Rate(s) of pay
- Paid leave

Deductions
- Approved by Commissioners’ Court

Calculating Time
Collect time sheets from all departments
Do you offer different rates of pay for work in different departments, or for special assignments (holidays, nights or weekends)?
What types of deductions do you have? Insurance, child support, garnishments, retirement, etc.
Pay Example: 40 hour employee

- Sue works in the Clerk’s Office as a clerk
- She earns $8.00 per hour.
- Last week she actually worked 45 hours
- Calculate her weekly paycheck from the information you have.
  - $8.00 x 40 = $320.00
  - $8.00 x 1.5 = $12.00 OT rate
  - $12.00 x 5 = $60.00
  - Weekly pay = $320.00 + $60.00 = $380.00
  - Or $320.00 in regular pay and 5 x 1.5 = 7.5 comp time hours.
Pay Example: 86 hour employee

- Bob works in the Sheriff’s Office as a deputy
- Bob earns $18.00 per hour.
- In the last two weeks, he actually worked 92 hours
- Calculate his bi-weekly paycheck from the information you have.
  - $18.00 x 86 = $1548.00
  - $18.00 x 1.5 = $27.00 OT rate
  - $27.00 x 6 = $162.00
  - Bi-Weekly pay = $1548.00 + $162.00 = $1710.00
  - Or $1548.00 in regular pay and 6 x 1.5 = 9 comp time hours.
Other Types of Pay

There may be other additions to pay after calculation of time worked

- Vacation time
- Sick Leave
- Holiday pay
- Comp time (used)
- Stipends for phone, mileage, etc.
- State supplements for County Judge and County Attorney - these amounts are set by the state legislature and paid to counties that have requested the supplement
Best Advice for Recordkeeping

To be compliant with the Department of Labor

▪ Keep a complete and accurate record of all hours worked (actual start and stop times)
▪ Time and day of week when employee’s workweek begins
▪ Total hours worked each week
▪ Pay all overtime hours at
  ▪ 1 ½ times employee’s regular rate; or
  ▪ 1 ½ comp time rate
Record Keeping

What about timekeeping?

- Employers may use any method they choose, but it MUST be accurate and complete for each non-exempt employee
- Employees are responsible for completing timesheets accurately and turning them in timely
- Time sheets are government records: Falsification is a criminal offense per Texas Penal Code 37.10
- If you make changes on the timesheets, initial each change you make and notate the reason
Deductions

Required

- FICA
  - Social Security and Medicare
  - All employees except elections workers
- Retirement (TCDRS)
  - If you are a member, then your County’s elected rate is deducted for all workers except temporary employees
- Child Support
- Wage Garnishments

Optional

- 457 Savings plans
  - ROTH (not a pre-tax deduction)
  - pre-tax deduction
- Supplemental Insurance
  - Disability, Cancer, ICU, etc.
- Dependent Medical/Dental Care
  - These are typically pre-tax cafeteria plan deductions.
Commissioners’ Court Approval for Counties under 190,000

- Present to CC
- Obtain specific payroll approval
- Issue checks

[APPROVED]
Commissioners’ Court Approval

- Salaries are set in the budget process
  - LGC Sec. 152.011
  - LGC Sec. 150.013- Elected Officials must have increases in salary or allowances posted in a public newspaper before adopted in a budget
- Any changes to salary during a budget year must be approved via budget amendment
- Types of pay should be set out in Employee Handbook/Manual