
PAYROLL POLICIES

2401	Earned Compensation – Academic Staff
2402	Earned Compensation – Professional and Administrative Staff Employees
2403	Earned Compensation – Support Staff and Bargaining Unit Employees
2404	Earned Compensation – Professional, Administrative and Support Staff
2405	Overtime Payments – Support Staff and Bargaining Unit Employees
2406	Salary and Wage Payments
2407	Payroll Cycles
2408	Time Reporting
2409	Retroactive Pay
2410	Overpayments
2411	Notification of Employee Termination
2412	Paid Vacation at Separation
2415	Payroll Deductions & Reductions
2416	Wage Attachments & Levies
2417	Off-Cycle Issuance of Paychecks

2401 EARNED COMPENSATION - ACADEMIC STAFF

Effective: December 1986
Last Reviewed: April, 2016
Responsible Office: Provost
Approval: Comptroller

PURPOSE

To establish the period over which academic staff members (exempt and monthly paid) earn annual academic base salary and other compensation paid by the University.

NOTE: Academic staff members occupy positions which are considered exempt from (not subject to) the provisions of the Fair Labor Standards Act.

POLICY

1. The Provost is responsible for all matters related to academic staff compensation and is the only University official authorized to approve academic staff compensation payments.
2. Academic base salary for standing faculty, other than clinician-educators, normally is earned over the academic year, September through May, and can be paid in nine equal monthly payments or spread over twelve months in equal monthly installments. Those standing faculty holding twelve month appointments are paid in twelve equal monthly payments.

NOTE: Standing faculty holding nine month appointments may elect to be paid their academic base salary in twelve equal monthly payments.
3. Academic base salary for clinician-educators normally is earned and paid over the fiscal year in twelve equal monthly payments.
4. For standing faculty, extra compensation for services performed during the summer months is earned and paid monthly at a rate which cannot be greater than one-ninth of the annual academic base salary. For faculty holding administrative appointments, the annual administrative stipend is earned and paid in equal monthly payments over the period of the appointment. Policy governing extra compensation for academic staff is detailed in the The Handbook for Faculty and Academic Administrators (Section II.E).
5. For associated faculty and academic support staff, salary is earned and paid monthly, consistent with the term of appointment and/or services provided, and generally as follows:
 - a. Base salary for academic staff involved in research or clinical services normally is earned and paid over the fiscal year in twelve equal monthly payments.
 - b. Base salary for academic staff involved in teaching normally is earned and paid over the academic year, September through May, in nine equal monthly payments.

6. Graduate and professional students, holding academic staff appointments, are paid stipends monthly, consistent with the term of their appointment. Generally, they are paid over the academic year, September through May, in nine equal monthly payments.

7. Postdoctoral fellows earn compensation and are paid monthly, consistent with the term of their appointment and/or outside stipend support. Generally, they are paid over the fiscal year in twelve equal monthly payments.

8. Paid emeritus faculty earn compensation and are paid monthly, in accordance with policy statements nos. 2 and 3, above

2402 EARNED COMPENSATION - PROFESSIONAL AND ADMINISTRATIVE STAFF EMPLOYEES

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish the period over which exempt staff employees (monthly paid) earn compensation, i.e., annual base salary paid by the University.

NOTE: Exempt staff employees occupy positions which are considered exempt from (not subject to) the provisions of the Fair Labor Standards Act.

POLICY

1. Annual base salary is earned and paid over the fiscal year in twelve equal monthly payments.
2. Promotions, reclassifications, salary adjustments, or merit increases are considered incremental adjustments to the annual salary, and are paid in each subsequent month at a rate equal to one-twelfth of the increase amount.
3. Human Resources/Compensation is responsible for the determination of whether a position is exempt or non-exempt.
4. Any exceptions to the above policies must be approved, in advance and in writing, by the Director, Human Resources Compensation.

2403 EARNED COMPENSATION - SUPPORT STAFF AND BARGAINING UNIT EMPLOYEES

Effective: September 1990
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish the period over which nonexempt staff employees and employees that are covered by collective bargaining agreements (weekly paid) earn compensation, i.e., annual base salary or hourly wage paid by the University.

NOTE: Nonexempt staff employees or employees, who are covered by collective bargaining agreements, occupy positions which are subject to the provisions of the Fair Labor Standards Act.

POLICY

1. Compensation is earned by regular salaried nonexempt staff as follows:
 - a. Compensation is earned and paid on a weekly basis at a calculated hourly wage rate over the employee's standard work week, e.g., 35, 37.5 or 40 hours.
 - b. Promotions, reclassifications, salary adjustments, and merit increases are considered incremental adjustments to the employee's annual base salary, calculated as an incremental amount to the employee's hourly wage rate, and are paid each subsequent week.
2. Compensation is earned by temporary hourly support staff as follows:
 - a. Compensation is earned on an hourly basis and paid weekly at the employee's hourly wage rate.
 - b. Salary increases are considered incremental adjustments to the hourly wage rate, and are paid each subsequent week as part of the hourly wage rate, as adjusted.
3. For employees who are covered by collective bargaining agreements, wages are paid at the hourly rates established by the applicable labor contract.
4. Hours worked must be paid in accordance with the provisions of the Fair Labor Standards Act. <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime> (HR Policy 302.1)

5. Human Resources/Compensation is responsible for the determination of whether a position is exempt or non-exempt.
6. Any exceptions to the above policies must be approved, in advance and in writing, by the Director, Human Resources Compensation.

2404 EARNED COMPENSATION - PROFESSIONAL, ADMINISTRATIVE, AND SUPPORT STAFF

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of extra compensation (other than job related overtime for nonexempt staff and bargaining unit employees) to exempt and nonexempt staff employees who provide additional services beyond the scope of their normal employment.

POLICY

1. Payment of all extra compensation must be made through Additional Pay module in Penn Works.
2. Non-exempt employees must be paid for services in accordance with the provisions of the Fair Labor Standards Act. <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime>
3. In order for exempt or nonexempt to be eligible for extra compensation, the additional services provided must be beyond the scope of responsibilities that the individual normally would be expected to accomplish.
4. Requests for services which will result in extra compensation require prior approval by the Home and Paying School/Center Business Administrator, employee's supervisor, Home and Paying School/Center Human Resources approver, and Central Human Resources via Additional Pay Pre-Work module in PennWorks.
5. A justification for the amount to be paid and an explanation of the additional services provided must be attached. Once payment is approved and verified, request will be submitted through Additional Pay module in PennWorks.
6. Once requests are approved in the Additional Pay module in Penn Works, payment for approved extra compensation will be made by the Payroll Department in the next available payroll cycle.

2405 OVERTIME PAYMENTS - SUPPORT STAFF AND BARGAINING UNIT EMPLOYEES

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy governing the approval and payment of job related overtime to nonexempt staff employees and employees who are covered by collective bargaining agreements (weekly paid).

POLICY

1. Payment for overtime must be made through the University's payroll system
2. Payment for overtime hours must be made in accordance with the applicable bargaining unit agreement and the provisions of the Fair Labor Standards Act. HR Policy 302.5 <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime>
3. Departments are responsible for establishing procedures for ensuring that all job related overtime worked by nonexempt staff employees and employees who covered by collective bargaining agreements for work that cannot reasonably be accomplished during normal working hours.
4. Departments are responsible for entering into the payroll system the proper overtime hours for their employees for each pay period end date by the deadline set forth. See payroll website for deadlines <http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/>.
5. Payment for reported overtime will be made in the next regularly scheduled payroll cycle.

2406 SALARY AND WAGE PAYMENTS

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To define the circumstances under which the Comptroller will make salary and wage payments and to identify the methods of payment available to University employees.

POLICY

1. The Office of the Comptroller is responsible for ensuring that salary or wage payments made to an employee are in accordance with existing human resource policies as established by the Provost, for academic staff, and by the Office of Human Resources, for exempt and nonexempt staff. In addition, payments made to employees covered by collective bargaining agreements must be in accordance with the provisions of the applicable labor agreement.
2. Departments are responsible for seeing that salary and wage payments made to an employee are for work performed within the employee's prescribed work responsibilities and are in compliance with University Human Resource policies.
3. For new employees, salary or wage payments will not be effected until the employee has been added to the University's Human Resources/ Payroll System and all government and University forms concerning employment and taxation (e.g., IRS W-4 Form, INS Form I-9, HR-2, etc.) have been completed and forwarded to the appropriate office.
4. For all employees, a valid and current distribution must exist on the Human Resources/Payroll System before salary and wage payments may be effected.
5. The University will direct deposit salary or wage payments either to the employee's personal bank account or to the individual's existing Aline Card account or a new Aline Card account will be established if needed.

2407 PAYROLL CYCLES

Effective: December 1986
Revised: July 2006
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To define and establish the University's payroll cycles and pay dates.

POLICY

1. The Office of the Comptroller is responsible for paying University employees on a regular basis, at predetermined intervals, and in accordance with existing governmental regulations and executed labor contracts.
2. Exempt University employees (academic, professional and administrative staff), retired or disabled personnel, and pre/post-doctoral trainees and researchers and employees of the Clinical Practice of the Hospital of the University of Pennsylvania, will be paid on a monthly cycle. The pay date is the last working day of the month.
3. Non-exempt University employees (support staff and members of bargaining units) and students will be paid on a weekly cycle. The pay date is the Friday following the week worked, except when there is a scheduled University holiday. The pay date, in those instances, will be on the working day immediately preceding the holiday. The University work week is 12:01 AM Monday through midnight Sunday.
4. The Payroll Department is responsible for establishing the schedule of pay dates for all University employees, (other than those employees on the Hospital payrolls).
5. Departments are responsible for processing appropriate payroll actions (e.g., time reporting, Database update for new hires, changes in pay amount, terminations, etc.) in a timely manner, and in accordance with the schedule of due dates as established by the Payroll Department.
6. In the event of a disaster, fire, computer malfunction or any other event which is beyond the control of the Comptroller, the University reserves the right to pay employees on other than the regularly scheduled pay date.
7. Also, in the event of a disaster, fire, computer malfunction or any other event which is beyond the control of the Comptroller, the University reserves the right to pay all employees via check, even if normal method of payment is direct deposit.

2408 TIME REPORTING

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy governing time reporting for weekly paid University employees (positive and exception reporting). Time reporting records hours worked for hourly University employees and records exception hours, i.e., vacation, sick and personal time taken, for weekly salaried employees.

POLICY

1. Departments are responsible for ensuring that all time reporting that will impact an employee's pay are entered into the Payroll system by the scheduled due date. See current payroll schedule here <http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/>
2. Each department is responsible for establishing procedures to record hours worked by hourly paid employees and sick, vacation and personal time taken for all other weekly salaried employees. Each employee should be informed of the departmental procedure to ensure that his/her time is recorded correctly.
3. Each department or reporting unit should have at least two individuals who have been trained to enter the appropriate time into the payroll system, or have in place other appropriate backup procedures, in order to ensure on-line time reporting completion and submission on a timely basis.

2409 RETROACTIVE PAY

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of retroactive salary adjustments as the result of promotion or reclassification.

POLICY

1. Employees are entitled to a retroactive payment if the effective date of a salary increase precedes the beginning of the current pay period.
2. Retroactive payments will only be made with the proper authorization from Human Resources/Compensation.

2410 OVERPAYMENTS

Effective: December 1986
Revised: April 2016
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy regarding salary and wage overpayment and to assign responsibility for identifying and remedying the overpayment.

POLICY

Each department is responsible for reviewing individual payroll amounts in order to ensure that they are accurate. If this review identifies individuals who have been overpaid, the following must happen:

1. In the event an employee is overpaid in any given payroll period, the employee is responsible for bringing the overpayment to the attention of the departmental business administrator who must then notify the payroll department via the Request for Overpayment Calculation form found on the payroll website http://www.finance.upenn.edu/forms/request_for_overpayment_calculation.doc
2. Upon receipt of the Request for Overpayment Calculation worksheet the payroll office will calculate the net overpayment that must be refunded to the University.
3. An email will be sent to the Business Administrator notifying the department of the net amount of the overpayment. It is the Department's responsibility to inform the employee of the net amount due to the University.
4. Included with the email to the Department is an authorization agreement that the employee must Sign in the event that they select the cash recovery deduction. Personal checks for the full amount of the overpayment are accepted as well.
5. The payroll office will then set up a "cash recovery" deduction that will withhold 50% of the net pay from each of the employees subsequent pays until the overpayment is recovered in full.
6. Failure to authorize such cash recovery to reimburse the University is grounds for termination.
7. Once the overpayment has been recovered in full the employee's year to date earnings and taxes will be adjusted and the paying department will receive the corresponding credit.

2411 NOTIFICATION OF EMPLOYEE TERMINATION

Effective: December 1986
Revised: April 2015
Last Reviewed: April 2016
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish policy regarding the timely processing of the termination notice to the Payroll Department for an employee separating from the University, either voluntarily or involuntarily.

NOTE: Specific payroll action is required for effecting an employee's termination. Terminating the current pay distribution does not in and of itself constitute an appropriate termination notification.

POLICY

1. Departments are responsible for entering the appropriate termination information in Penn Works for separating employees in a timely and accurate manner. This includes entering the appropriate separation code for the employee.
2. For monthly paid employees, the termination should be effected on the Human Resources/Payroll System as soon as the department becomes aware that the employee is terminating. If the payroll termination action is after a payroll cutoff date which would result in the employee being overpaid, the department also must immediately notify the Payroll Department, in writing, of the termination.
3. For weekly paid employees or work study students, the termination should be effected on the Human Resources Payroll System the Tuesday following the last week worked.
4. Departments are expected to see that all University property is returned by the employee to the appropriate office upon termination. This includes keys, Penn Identification Card, Transaction Authorization Card, University Sponsored Charge Card and any other University property in the possession of the employee. In addition, it is the responsibility of the home department to take reasonable steps to inventory and remove (or request removal of) the terminated employee's Access privileges to University, Departmental, School, Center and other informational systems containing personal or proprietary data.

2412 PAID VACATION AT SEPARATION

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of unused vacation time when an employee separates from the University.

POLICY

1. An employee who either resigns or is involuntarily separated is entitled to payment for unused and accrued vacation time.
2. The vacation payment request must be submitted through the Additional pay module in Penn Works.
3. Unused vacation time must be calculated in accordance with Policy No. 607.5 "Paid Time Off" of the Human Resources Policy Manual. In no event may the vacation payment exceed the vacation accrual maximum for any individual. <https://www.hr.upenn.edu/myhr/resources/policy/timeoff/pto>
4. Payment for unused vacation time will be paid in the payroll after request in Penn Works has been submitted and approved by the appropriate parties.

2415 PAYROLL DEDUCTIONS AND REDUCTIONS

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy covering the types and amounts of deductions or reductions that the University will withhold from an employee's pay check.

POLICY

1. The Office of the Comptroller is responsible for ensuring that mandatory deductions are effected and in compliance with governmental regulations and that voluntary deductions are effected in accordance with employee election.
2. The Office of the Comptroller will withhold from the pay of each employee all statutory tax deductions. These include, but are not limited to, federal, state and local income tax withholding, and social security (F.I.C.A.) taxes.
3. The Office of the Comptroller will withhold from regular pay voluntary deductions, reductions and shelters only after receipt of written authorization from the employee to the appropriate department (ex. Parking, Recreation, HR benefits).
4. As required by law, the University will deduct all legal wage assignments, as described in policy no. 2416, Wage Attachments and Levies.
5. The Office of the Comptroller is responsible for disbursing amounts withheld from employees' pay to governmental or other agencies in accordance with statutory regulations or executed agreements

2416 WAGE ATTACHMENTS AND LEVIES

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To identify the circumstances under which the University will make deductions, other than statutory tax deductions, from an employee's pay without the employee's consent.

POLICY

1. The University is required, by law, to execute, with or without the employee's consent, all legal wage assignments such as tax levies, garnishments, notice of child support or other court ordered wage attachments, subject to the terms described in each individual instrument.
2. Upon receipt of an Internal Revenue Service Levy, the Payroll Department will send a copy of the levy by first class mail to the employee's home address currently listed in the payroll system. This form must be completed and returned to the Payroll Department within five working days, or the Payroll Department will begin to deduct the levied amount without regard to the employee's claimed dependent exemptions.
3. Court ordered wage attachments will be deducted, based on the information provided by the court, in the payroll cycle immediately following receipt of the attachment.
4. The Payroll Department will use its best efforts to ensure that the deductions do not exceed statutory limits and that timely payments are made to the respective agencies.
5. The Payroll Department will treat wage attachments and levies as confidential information, which will be handled in accordance with the University's policy on confidentiality of records. (See Policy No. 201, "Confidentiality of Records," of the Human Resources Policy Manual.)
6. An administrative processing fee will be assessed on each wage attachment (the allowable fee varies from state to state) but will not exceed \$25.00

2417 OFF-CYCLE ISSUANCE OF PAYCHECKS

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy regarding payment to an employee who does not receive, via normal payroll processing, payment for time worked.

POLICY

1. The processing of off cycle payments is limited to those payments which meet the criteria for off cycle payments.
2. A department in need of an off cycle payment must call the payroll department to receive approval to submit the request for review. A member of the payroll staff will give verbal approval to submit an off cycle payment request form (http://www.finance.upenn.edu/forms/off_cycle_pmtreq.pdf).
3. Once the fully completed off cycle request form is received in the payroll office with a screen print of the approved late pay screen, the payroll office will review to insure that the request meets the requirements for an off cycle payment.
4. Once approved, the Payroll Department will process the off cycle payment request within 3 to 4 business days. The Funds will be available 24 hours after the payroll information is available on MY PAY on the Penn Portal.
5. Please note that all off cycle payments made to employees will be made via direct deposit or by ADP Aline Card.

PAYROLL POLICIES

2401	Earned Compensation – Academic Staff
2402	Earned Compensation – Professional and Administrative Staff Employees
2403	Earned Compensation – Support Staff and Bargaining Unit Employees
2404	Earned Compensation – Professional, Administrative and Support Staff
2405	Overtime Payments – Support Staff and Bargaining Unit Employees
2406	Salary and Wage Payments
2407	Payroll Cycles
2408	Time Reporting
2409	Retroactive Pay
2410	Overpayments
2411	Notification of Employee Termination
2412	Paid Vacation at Separation
2415	Payroll Deductions & Reductions
2416	Wage Attachments & Levies
2417	Off-Cycle Issuance of Paychecks

2401 EARNED COMPENSATION - ACADEMIC STAFF

Effective: December 1986
Last Reviewed: April, 2017
Responsible Office: Provost
Approval: Comptroller

PURPOSE

To establish the period over which academic staff members (exempt and monthly paid) earn annual academic base salary and other compensation paid by the University.

NOTE: Academic staff members occupy positions which are considered exempt from (not subject to) the provisions of the Fair Labor Standards Act.

POLICY

1. The Provost is responsible for all matters related to academic staff compensation and is the only University official authorized to approve academic staff compensation payments.
2. Academic base salary for standing faculty, other than clinician-educators, normally is earned over the academic year, September through May, and can be paid in nine equal monthly payments or spread over twelve months in equal monthly installments. Those standing faculty holding twelve month appointments are paid in twelve equal monthly payments.

NOTE: Standing faculty holding nine month appointments may elect to be paid their academic base salary in twelve equal monthly payments.
3. Academic base salary for clinician-educators normally is earned and paid over the fiscal year in twelve equal monthly payments.
4. For standing faculty, extra compensation for services performed during the summer months is earned and paid monthly at a rate which cannot be greater than one-ninth of the annual academic base salary. For faculty holding administrative appointments, the annual administrative stipend is earned and paid in equal monthly payments over the period of the appointment. Policy governing extra compensation for academic staff is detailed in the The Handbook for Faculty and Academic Administrators (Section II.E).
5. For associated faculty and academic support staff, salary is earned and paid monthly, consistent with the term of appointment and/or services provided, and generally as follows:
 - a. Base salary for academic staff involved in research or clinical services normally is earned and paid over the fiscal year in twelve equal monthly payments.
 - b. Base salary for academic staff involved in teaching normally is earned and paid over the academic year, September through May, in nine equal monthly payments.

6. Graduate and professional students, holding academic staff appointments, are paid stipends monthly, consistent with the term of their appointment. Generally, they are paid over the academic year, September through May, in nine equal monthly payments.

7. Postdoctoral fellows earn compensation and are paid monthly, consistent with the term of their appointment and/or outside stipend support. Generally, they are paid over the fiscal year in twelve equal monthly payments.

8. Paid emeritus faculty earn compensation and are paid monthly, in accordance with policy statements nos. 2 and 3, above

2402 EARNED COMPENSATION - PROFESSIONAL AND ADMINISTRATIVE STAFF EMPLOYEES

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish the period over which exempt staff employees (monthly paid) earn compensation, i.e., annual base salary paid by the University.

NOTE: Exempt staff employees occupy positions which are considered exempt from (not subject to) the provisions of the Fair Labor Standards Act.

POLICY

1. Annual base salary is earned and paid over the fiscal year in twelve equal monthly payments.
2. Promotions, reclassifications, salary adjustments, or merit increases are considered incremental adjustments to the annual salary, and are paid in each subsequent month at a rate equal to one-twelfth of the increase amount.
3. Human Resources/Compensation is responsible for the determination of whether a position is exempt or non-exempt.
4. Any exceptions to the above policies must be approved, in advance and in writing, by the Director, Human Resources Compensation.

2403 EARNED COMPENSATION - SUPPORT STAFF AND BARGAINING UNIT EMPLOYEES

Effective: September 1990
Revised: May 2014
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish the period over which nonexempt staff employees and employees that are covered by collective bargaining agreements (weekly paid) earn compensation, i.e., annual base salary or hourly wage paid by the University.

NOTE: Nonexempt staff employees or employees, who are covered by collective bargaining agreements, occupy positions which are subject to the provisions of the Fair Labor Standards Act.

POLICY

1. Compensation is earned by regular salaried nonexempt staff as follows:
 - a. Compensation is earned and paid on a weekly basis at a calculated hourly wage rate over the employee's standard work week, e.g., 35, 37.5 or 40 hours.
 - b. Promotions, reclassifications, salary adjustments, and merit increases are considered incremental adjustments to the employee's annual base salary, calculated as an incremental amount to the employee's hourly wage rate, and are paid each subsequent week.
2. Compensation is earned by temporary hourly support staff as follows:
 - a. Compensation is earned on an hourly basis and paid weekly at the employee's hourly wage rate.
 - b. Salary increases are considered incremental adjustments to the hourly wage rate, and are paid each subsequent week as part of the hourly wage rate, as adjusted.
3. For employees who are covered by collective bargaining agreements, wages are paid at the hourly rates established by the applicable labor contract.
4. Hours worked must be paid in accordance with the provisions of the Fair Labor Standards Act. <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime> (HR Policy 302.1)

5. Human Resources/Compensation is responsible for the determination of whether a position is exempt or non-exempt.
6. Any exceptions to the above policies must be approved, in advance and in writing, by the Director, Human Resources Compensation.

2404 EARNED COMPENSATION - PROFESSIONAL, ADMINISTRATIVE, AND SUPPORT STAFF

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of extra compensation (other than job related overtime for nonexempt staff and bargaining unit employees) to exempt and nonexempt staff employees who provide additional services beyond the scope of their normal employment.

POLICY

1. Payment of all extra compensation must be made through Additional Pay module in Penn Works.
2. Non-exempt employees must be paid for services in accordance with the provisions of the Fair Labor Standards Act. <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime>
3. In order for exempt or nonexempt to be eligible for extra compensation, the additional services provided must be beyond the scope of responsibilities that the individual normally would be expected to accomplish.
4. Requests for services which will result in extra compensation require prior approval by the Home and Paying School/Center Business Administrator, employee's supervisor, Home and Paying School/Center Human Resources approver, and Central Human Resources via Additional Pay Pre-Work module in PennWorks.
5. A justification for the amount to be paid and an explanation of the additional services provided must be attached. Once payment is approved and verified, request will be submitted through Additional Pay module in PennWorks.
6. Once requests are approved in the Additional Pay module in Penn Works, payment for approved extra compensation will be made by the Payroll Department in the next available payroll cycle.

2405 OVERTIME PAYMENTS - SUPPORT STAFF AND BARGAINING UNIT EMPLOYEES

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy governing the approval and payment of job related overtime to nonexempt staff employees and employees who are covered by collective bargaining agreements (weekly paid).

POLICY

1. Payment for overtime must be made through the University's payroll system
2. Payment for overtime hours must be made in accordance with the applicable bargaining unit agreement and the provisions of the Fair Labor Standards Act. HR Policy 302.5 <https://www.hr.upenn.edu/myhr/resources/policy/compensation/overtime>
3. Departments are responsible for establishing procedures for ensuring that all job related overtime worked by nonexempt staff employees and employees who covered by collective bargaining agreements for work that cannot reasonably be accomplished during normal working hours.
4. Departments are responsible for entering into the payroll system the proper overtime hours for their employees for each pay period end date by the deadline set forth. See payroll website for deadlines <http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/>.
5. Payment for reported overtime will be made in the next regularly scheduled payroll cycle.

2406 SALARY AND WAGE PAYMENTS

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To define the circumstances under which the Comptroller will make salary and wage payments and to identify the methods of payment available to University employees.

POLICY

1. The Office of the Comptroller is responsible for ensuring that salary or wage payments made to an employee are in accordance with existing human resource policies as established by the Provost, for academic staff, and by the Office of Human Resources, for exempt and nonexempt staff. In addition, payments made to employees covered by collective bargaining agreements must be in accordance with the provisions of the applicable labor agreement.
2. Departments are responsible for seeing that salary and wage payments made to an employee are for work performed within the employee's prescribed work responsibilities and are in compliance with University Human Resource policies.
3. For new employees, salary or wage payments will not be effected until the employee has been added to the University's Human Resources/ Payroll System and all government and University forms concerning employment and taxation (e.g., IRS W-4 Form, INS Form I-9, HR-2, etc.) have been completed and forwarded to the appropriate office.
4. For all employees, a valid and current distribution must exist on the Human Resources/Payroll System before salary and wage payments may be effected.
5. The University will direct deposit salary or wage payments either to the employee's personal bank account or to the individual's existing Aline Card account or a new Aline Card account will be established if needed.

2407 PAYROLL CYCLES

Effective: December 1986
Revised: July 2006
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To define and establish the University's payroll cycles and pay dates.

POLICY

1. The Office of the Comptroller is responsible for paying University employees on a regular basis, at predetermined intervals, and in accordance with existing governmental regulations and executed labor contracts.
2. Exempt University employees (academic, professional and administrative staff), retired or disabled personnel, and pre/post-doctoral trainees and researchers and employees of the Clinical Practice of the Hospital of the University of Pennsylvania, will be paid on a monthly cycle. The pay date is the last working day of the month.
3. Non-exempt University employees (support staff and members of bargaining units) and students will be paid on a weekly cycle. The pay date is the Friday following the week worked, except when there is a scheduled University holiday. The pay date, in those instances, will be on the working day immediately preceding the holiday. The University work week is 12:01 AM Monday through midnight Sunday.
4. The Payroll Department is responsible for establishing the schedule of pay dates for all University employees, (other than those employees on the Hospital payrolls).
5. Departments are responsible for processing appropriate payroll actions (e.g., time reporting, Database update for new hires, changes in pay amount, terminations, etc.) in a timely manner, and in accordance with the schedule of due dates as established by the Payroll Department.
6. In the event of a disaster, fire, computer malfunction or any other event which is beyond the control of the Comptroller, the University reserves the right to pay employees on other than the regularly scheduled pay date.
7. Also, in the event of a disaster, fire, computer malfunction or any other event which is beyond the control of the Comptroller, the University reserves the right to pay all employees via check, even if normal method of payment is direct deposit.

2408 TIME REPORTING

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2016
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy governing time reporting for weekly paid University employees (positive and exception reporting). Time reporting records hours worked for hourly University employees and records exception hours, i.e., vacation, sick and personal time taken, for weekly salaried employees.

POLICY

1. Departments are responsible for ensuring that all time reporting that will impact an employee's pay are entered into the Payroll system by the scheduled due date. See current payroll schedule here <http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/>
2. Each department is responsible for establishing procedures to record hours worked by hourly paid employees and sick, vacation and personal time taken for all other weekly salaried employees. Each employee should be informed of the departmental procedure to ensure that his/her time is recorded correctly.
3. Each department or reporting unit should have at least two individuals who have been trained to enter the appropriate time into the payroll system, or have in place other appropriate backup procedures, in order to ensure on-line time reporting completion and submission on a timely basis.

2409 RETROACTIVE PAY

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of retroactive salary adjustments as the result of promotion or reclassification.

POLICY

1. Employees are entitled to a retroactive payment if the effective date of a salary increase precedes the beginning of the current pay period.
2. Retroactive payments will only be made with the proper authorization from Human Resources/Compensation.

2410 OVERPAYMENTS

Effective: December 1986
Revised: April 2016
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy regarding salary and wage overpayment and to assign responsibility for identifying and remedying the overpayment.

POLICY

Each department is responsible for reviewing individual payroll amounts in order to ensure that they are accurate. If this review identifies individuals who have been overpaid, the following must happen:

1. In the event an employee is overpaid in any given payroll period, the employee is responsible for bringing the overpayment to the attention of the departmental business administrator who must then notify the payroll department via the Request for Overpayment Calculation form found on the payroll website http://www.finance.upenn.edu/forms/request_for_overpayment_calculation.doc
2. Upon receipt of the Request for Overpayment Calculation worksheet the payroll office will calculate the net overpayment that must be refunded to the University.
3. An email will be sent to the Business Administrator notifying the department of the net amount of the overpayment. It is the Department's responsibility to inform the employee of the net amount due to the University.
4. Included with the email to the Department is an authorization agreement that the employee must Sign in the event that they select the cash recovery deduction. Personal checks for the full amount of the overpayment are accepted as well.
5. The payroll office will then set up a "cash recovery" deduction that will withhold 50% of the net pay from each of the employees subsequent pays until the overpayment is recovered in full.
6. Failure to authorize such cash recovery to reimburse the University is grounds for termination.
7. Once the overpayment has been recovered in full the employee's year to date earnings and taxes will be adjusted and the paying department will receive the corresponding credit.

2411 NOTIFICATION OF EMPLOYEE TERMINATION

Effective: December 1986
Revised: April 2015
Last Reviewed: April 2017
Responsible Office: Comptroller
Approval: Comptroller/Human Resources

PURPOSE

To establish policy regarding the timely processing of the termination notice to the Payroll Department for an employee separating from the University, either voluntarily or involuntarily.

NOTE: Specific payroll action is required for effecting an employee's termination. Terminating the current pay distribution does not in and of itself constitute an appropriate termination notification.

POLICY

1. Departments are responsible for entering the appropriate termination information in Penn Works for separating employees in a timely and accurate manner. This includes entering the appropriate separation code for the employee.
2. For monthly paid employees, the termination should be effected on the Human Resources/Payroll System as soon as the department becomes aware that the employee is terminating. If the payroll termination action is after a payroll cutoff date which would result in the employee being overpaid, the department also must immediately notify the Payroll Department, in writing, of the termination.
3. For weekly paid employees or work study students, the termination should be effected on the Human Resources Payroll System the Tuesday following the last week worked.
4. Departments are expected to see that all University property is returned by the employee to the appropriate office upon termination. This includes keys, Penn Identification Card, Transaction Authorization Card, University Sponsored Charge Card and any other University property in the possession of the employee. In addition, it is the responsibility of the home department to take reasonable steps to inventory and remove (or request removal of) the terminated employee's Access privileges to University, Departmental, School, Center and other informational systems containing personal or proprietary data.

2412 PAID VACATION AT SEPARATION

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy for the payment of unused vacation time when an employee separates from the University.

POLICY

1. An employee who either resigns or is involuntarily separated is entitled to payment for unused and accrued vacation time.
2. The vacation payment request must be submitted through the Additional pay module in Penn Works.
3. Unused vacation time must be calculated in accordance with Policy No. 607.5 "Paid Time Off" of the Human Resources Policy Manual. In no event may the vacation payment exceed the vacation accrual maximum for any individual. <https://www.hr.upenn.edu/myhr/resources/policy/timeoff/pto>
4. Payment for unused vacation time will be paid in the payroll after request in Penn Works has been submitted and approved by the appropriate parties.

2415 PAYROLL DEDUCTIONS AND REDUCTIONS

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy covering the types and amounts of deductions or reductions that the University will withhold from an employee's pay check.

POLICY

1. The Office of the Comptroller is responsible for ensuring that mandatory deductions are effected and in compliance with governmental regulations and that voluntary deductions are effected in accordance with employee election.
2. The Office of the Comptroller will withhold from the pay of each employee all statutory tax deductions. These include, but are not limited to, federal, state and local income tax withholding, and social security (F.I.C.A.) taxes.
3. The Office of the Comptroller will withhold from regular pay voluntary deductions, reductions and shelters only after receipt of written authorization from the employee to the appropriate department (ex. Parking, Recreation, HR benefits).
4. As required by law, the University will deduct all legal wage assignments, as described in policy no. 2416, Wage Attachments and Levies.
5. The Office of the Comptroller is responsible for disbursing amounts withheld from employees' pay to governmental or other agencies in accordance with statutory regulations or executed agreements

2416 WAGE ATTACHMENTS AND LEVIES

Effective: December 1986
Revised: April 2013
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To identify the circumstances under which the University will make deductions, other than statutory tax deductions, from an employee's pay without the employee's consent.

POLICY

1. The University is required, by law, to execute, with or without the employee's consent, all legal wage assignments such as tax levies, garnishments, notice of child support or other court ordered wage attachments, subject to the terms described in each individual instrument.
2. Upon receipt of an Internal Revenue Service Levy, the Payroll Department will send a copy of the levy by first class mail to the employee's home address currently listed in the payroll system. This form must be completed and returned to the Payroll Department within five working days, or the Payroll Department will begin to deduct the levied amount without regard to the employee's claimed dependent exemptions.
3. Court ordered wage attachments will be deducted, based on the information provided by the court, in the payroll cycle immediately following receipt of the attachment.
4. The Payroll Department will use its best efforts to ensure that the deductions do not exceed statutory limits and that timely payments are made to the respective agencies.
5. The Payroll Department will treat wage attachments and levies as confidential information, which will be handled in accordance with the University's policy on confidentiality of records. (See Policy No. 201, "Confidentiality of Records," of the Human Resources Policy Manual.)
6. A one time administrative fee will be assessed for Pennsylvania Child Support in the amount of \$50.00 for the duration of the wage attachment. For all other wage attachments there is an administrative fee assessed for 2 percent of the wage deduction not to exceed \$25.00 per wage deduction.

2417 OFF-CYCLE ISSUANCE OF PAYROLL PAYMENTS

Effective: December 1986
Revised: May 2014
Last Reviewed: April, 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

To establish policy regarding payment to an employee who does not receive, via normal payroll processing, payment for time worked.

POLICY

1. The processing of off cycle payments is limited to those payments which meet the criteria for off cycle payments.
2. A department in need of an off cycle payment must call the payroll department to receive approval to submit the request for review. A member of the payroll staff will give verbal approval to submit an off cycle payment request form (http://www.finance.upenn.edu/forms/off_cycle_pmtreq.pdf).
3. Once the fully completed off cycle request form is received in the payroll office the payroll office will review to insure that the request meets the requirements for an off cycle payment.
4. Once approved, the Payroll Department will process the off cycle payment request within 3 to 4 business days. The Funds will be available 24 hours after the payroll information is available on MY PAY on the Penn Portal.
5. Please note that all off cycle payments made to employees will be made via direct deposit or by ADP Aline Card.