UNIVERSITY OF PENNSYLVANIA

New Hire of and Payment to Support Staff, Bargaining Unit Employees and Temporary Hourly Support Staff:
In Effect:
Review Date:
Responsible Office: Office of the Comptroller

New Hire of and Payment to Support Staff, Bargaining Unit Employees and Temporary Hourly Support Staff: Policy and Procedures

Policy

I. Purpose

To establish the procedures whereby newly hired support staff, employees who are members of a bargaining unit, and temporary hourly support staff (non-exempt and weekly paid) are paid from the Penn Payroll/Personnel System. These employees are subject to all the provisions of the Fair Labor Standards Act.

II. Statement of Policy

A. The Vice President for Human Resources is responsible for all matters related to non-exempt staff compensation.

B. The Human Resources Compensation Office is responsible for determining whether a position is exempt or non-exempt.

B.1. The Director of Compensation is the University official authorized to approve support and temporary staff compensation payments.

C. Compensation for employees who are members of bargaining units are paid at the hourly rates established by the applicable labor contract.

D. Compensation is earned and paid on a weekly basis.

D.1. Support staff are paid at a calculated hourly wage rate over the employee’s standard workweek. Standard workweeks for regular full-time staff are based on job classification as determined by the Human Resources Compensation Office.
D.1.1. Lump sum payments, in conjunction with a specific compensation program, may be made with the approval of Human Resources Compensation Office.

D.1.2. Extra compensation for services performed, other than job related overtime, require prior approval by the appropriate dean, resource center director, vice president or vice provost and Human Resources Compensation Office in accordance with the Office of the VP Finance Policy 2404.

D.2. Employees who are members of bargaining units are paid at the hourly rates established by the applicable labor contract for hours worked [VP Finance Policy 2403].

D.3 For temporary hourly support staff, compensation is earned on an hourly basis and paid weekly at the employee’s hourly wage rate.

E. Student employees are considered temporary employees of the University. As such, they receive no employee benefits, other than Worker’s Compensation coverage and FICA, where applicable.

E.1. Students may not work greater than 20 hours per week during any week when they are attending classes [Federal Work-Study Program Supervisor’s Manual]. Their primary responsibility is their academic achievement and work cannot be a priority for them.

E.2. When not attending classes, Federal Work Study Program (FWSP) students may work up to 40 hours per week [Federal Work-Study Program Supervisor’s Manual]. Non-FWSP student employees are permitted to work overtime.

F. Hours worked must be paid in accordance with the provisions of the Fair Labor Standards Act.

III. Responsibilities:

A. The Hiring Officer is responsible for:

   (i) reviewing the applications, conducting interviews, and selection of the preferred candidate for an open position;
   (ii) checking the candidate’s references and credentials and references; and
   (iii) notifying the Department Business Administrator of all hiring actions.

B. The Human Resource Compensation Office is responsible for classification of new positions, or reclassifications of existing positions, as well as maintaining an inventory of all positions at the University. The Human Resources Compensation Office determines the classification of the position as exempt or non-exempt for compliance with federal labor laws and assigns the appropriate job class code to each position.
C. The Human Resources Recruitment Office is responsible for recruitment of exempt and non-exempt staff. The Human Resources Recruitment Office also reviews the candidates’ applications, resumes, references, and signed affirmative action forms and works with the department to establish an equitable salary that fits within the salary range for the position.

D. The Office of Affirmative Action and Equal Opportunity Programs is responsible for oversight and coordination of the University’s implementation of the affirmative action program. Each school and center has established an affirmative action compliance officer to perform this function.

E. The Office of Comptroller is responsible for ensuring that salary or wage payments are made to an employee in accordance with existing human resource policies.

F. The Office for International Programs (OIP) is responsible for assisting foreign nationals in obtaining and completing the paperwork needed to obtain the appropriate visa for their work status at the University of Pennsylvania. Information about visa can be obtained from the OIP website at: http://www.upenn.edu/oip/.

G. The Hiring Officer is responsible for monitoring the activities of the employee to ensure he/she is meeting the conditions of employment and notifying the Dean of the school or college, Director of the institute or center or head of the non-academic unit and the department business administrator if any change is made in the status of the employee.

H. The Department Business Administrator is responsible for completing, compiling and routing to the appropriate central departments (Human Resource Records Office and/or the Corporate Tax Department) the minimum staff record package in order to process a newly hired non-exempt staff on the Penn Payroll/Personnel System.

H.1 The Department Business Administrator is responsible for ensuring that all of his/her school or center specific hiring requirements have been met.

H.2 The Department Business Administrator is responsible for creating a record for the new employee on the Penn Payroll/Personnel System in accordance with the instructions in the Payroll/Personnel Procedures Manual.

H.3 The Department Business Administrator is responsible for ensuring the new employee accurately completes the required paperwork in accordance with the instructions in the Payroll/Personnel Procedures Manual, Section How To Appoint An Employee.

H.4 The Department Business Administrator is responsible for knowing who is being hired and their status as visa-bearing or legal resident citizen eligible under U.S. Immigration Law to acquire a paid position at Penn. The department must inform the foreign national that
employment is contingent on obtaining and continuing to maintain their valid immigration status.

H.4.1. The Department Business Administrator is responsible for ensuring that all new hires in their department without social security numbers obtain a permanent social security number from the Social Security Administration.

H.4.2. The Department Business Administrator is responsible for requesting a temporary social security number from the Human Resource Records Office for all foreign nationals hired, who do not already have a permanent social security number.

H.4.3. The Department Business Administrator is responsible for obtaining a copy of the employee’s social security card and sending a copy to the Human Resource Records Office, to the Corporate Tax Department (for foreign nationals), and to the Registrar’s Office (for students) so the employee’s record can be updated.

H.4.4. The employee’s home department will be responsible for any fines or penalties assessed the University as a result of an employee’s record not having been updated in a timely manner for a correct permanent social security number.

H.4.5. The Department Business Administrator is responsible for updating the Penn Payroll/Personnel System for changes in employee status or life events (e.g., marital status, home address, home phone number, etc.) or compensation for all employees within the department.

H.5 The Department Business Administrator is responsible for entering weekly time reports into the Penn Payroll/Personnel System.

There are two classifications for non-exempt employees, positive time reporting and exception time reporting. Employees for whom positive time reports must be made will only be paid for the hours worked. Employees in the exception reporting category will receive pay for the normal hours their unit works, unless the Department Business Administrator reports a different number of hours, such as for overtime or unpaid time off.

H.5.1. For employees to which exception reporting applies, the Department Business Administrator is responsible for entering usage of paid time off or any overtime hours worked for each employee.

H.5.2. For employees with positive reporting requirements, the Department Business Administrator is responsible for entering data on hours worked, including overtime and time off used.

H.6 The home department Business Administrator for a temporary employee is responsible for monitoring the number of hours worked
by the temporary employee to ensure they do not exceed the 999-hour limit during one fiscal year.

H.7 The Department Business Administrator is responsible for reviewing employee social security numbers in the Penn Payroll/Personnel System for accuracy.

I. The School or Center’s Senior Business Officer is responsible for reviewing action notifications produced by the Penn Payroll/Personnel System to ensure changes made to the system are appropriate and accurate. The Unit’s Senior Business Officer is responsible for contacting the Human Resources Office to obtain access to the action notifications for their school or center.

J. Human Resources Records Office is responsible for reviewing the paperwork the department submits for new employees, who are United States citizens, to ensure it is complete and accurate and that it has properly been input into the Penn Payroll/Personnel System (the paperwork of non-U.S. citizens is reviewed by the Corporate Tax Department). The Human Resources Records Office is responsible for notifying the Payroll Department to activate the employee record by sending the Payroll Department the employee’s signed W-4.

J.1. The Human Resources Records Office is responsible for creating reports of temporary social security numbers, by date of issuance, and distributing such reports to Department Business Administrators in order for the Department Business Administrator to ensure that a permanent social security number will be obtained from the employee and the Penn Payroll/Personnel System updated to reflect the correct social security number.

J.2. The Human Resource Records Office is responsible for updating the employee record with the permanent social security number provided by the Department Business Administrator in the employee’s home department.

K. The University’s Corporate Tax Department is responsible for verifying that foreign nationals have completed the required paperwork, ensuring compliance with federal tax laws, and for maintaining and updating a database with foreign national information for preparation of annual reports of earnings to the Federal government.

K.1. The Corporate Tax Department is responsible for forwarding non-resident alien’s paperwork to the Payroll Department. Information on documentary requirements can be obtained at: http://www.finance.upenn.edu/comptroller/tax/forms/

L. The Payroll Department is responsible for activating and maintaining the database used to pay employees, and timely preparation of paychecks and required reports.

L.1. The Penn Payroll/Personnel System maintains the time owed to non-exempt employees for paid time off.
M. The Penn Benefits Center is responsible for informing new employees of their benefit options and notifying the Payroll Department of withholding amounts.

N. The Bargaining Unit is responsible for negotiations with the University concerning wages, working conditions, benefits, and other matters for employees who are members of their bargaining unit and to provide these employees with information regarding the results of negotiations. The Bargaining Unit is also responsible for assistance in settling any disputes or disagreements covered by the agreement between the University and the Bargaining Unit.

O. The employee is responsible for fulfilling the obligations to the University of Pennsylvania to maintain their employment status.

O.1. Foreign nationals are responsible for maintaining a valid immigration status (with continual authorization for employment) throughout the duration of their appointment at the University. Foreign nationals must notify the Department Business Administrator of any changes in their visa status.

O.2. Foreign nationals are responsible for obtaining a permanent social security number and submitting a copy of their social security card to the Department Business Administrator.

IV. Procedures:

A. The Hiring Officer notifies the Human Resources Recruitment Office that there is a position to be filled and the department wishes to proceed with filling the position.

Applications are received by the department and reviewed by the individual with hiring responsibility. Finalists for the position are selected and candidates invited to campus for interviews.

A.1. Before an offer is made, the affirmative action paperwork must be completed by the Hiring Officer and sent to the Affirmative Action Compliance Officer for approval.

A.2. Before an offer is made, the department Hiring Officer submits the candidate’s credentials and references to the Human Resources Recruitment Office.

A.3. Once the Affirmative Action Compliance Officer has approved the candidate’s affirmative action form and the Human Resources Recruitment Office has conducted a review of the candidate’s supporting documentation (credentials and references) and the department has been notified, the Hiring Officer prepares and sends an offer letter to the candidate.
B. The Human Resources Recruitment Office reviews the candidate’s supporting paperwork to verify the candidate meets the qualifications stated for the position.

B.1. The Human Resources Recruitment Office works with the department to establish an equitable salary for the candidate, confirms the affirmative action compliance form has been completed, and receives the confirmation of acceptance of the position from the candidate.

B.2. After acceptance by the candidate, the HR1/2 form with the authorized salary, social security number and affirmative action compliance form are sent to the department for entry into the Penn Payroll/Personnel System.

C. Upon receipt of the accepted offer letter from the candidate and the HR1/2 form from Human Resources Recruitment Office, the Department Business Officer enters the employee information into the Penn Payroll/Personnel System and accumulates the minimum documentation to forward to central departments. The Department Business Administrator enters the employee information into the Penn Payroll/Personnel System in accordance with instructions provided in the Payroll/Personnel Procedures Manual.

C.1. The Department Business Administrator meets with the new employee to complete the required forms (see C.4. for U.S. citizen forms and C.5. for non-U.S. citizen forms) in order to generate the “Minimum Record” in the on-line Penn Payroll/Personnel system. The Minimum Record is typically the Offer Letter, I-9 and W-4.

C.1.1. The Department Business Administrator must ensure that the W-4 form reflects the correct address of the employee. The permanent address or domicile address should be noted rather than the home department address or the student residence address.

C.1.2. For new hires who are transferring from one of the affiliated health services, the Department Business Administrator advises the employee to contact the Human Resources Benefits Office so the individual’s previous work experience will be considered.

C.2. The Department Business Administrator enters the new employee into the on-line Penn Payroll/Personnel System in accordance with the instructions provided in the Payroll/Personnel Procedures Manual. If any required fields have been omitted, the system will prompt for the missing fields.

C.3. The employee must have an active appointment (job). The Begin and End dates on the appointment must include the pay date.

C.3.1. The employee must have one or more active payroll distributions on the 004 screen. The Start and Stop dates are
required fields on the Distribution Line, and must be within
the appointment period. If the Distribution Start and Stop
dates do not include the payroll period end date, the
employee will not be paid in a timely manner. When entering
distribution information, keep only current fiscal year
information on the 004 Distribution Screen.

C.4. For U.S. citizens, the minimum documentation that the
Department Business Administrator must collect from the new non-
exempt staff hire to support an appointment is:
  • accepted offer letter,
  • completed W-4., and
  • completed (and signed by the Department Business
    Administrator) I-9 form.

C.4.1. Once the Department Business Administrator has entered
the U.S. citizen employee information into the Penn
Payroll/Personnel System, the Department Business
Administrator forwards a copy of the minimum
documentation to the Human Resources Records
Department.

C.4.2. If an error has occurred in entering the employee’s social
security number and the employee’s record has been saved,
the Department Business Administrator must contact the
Human Resources Records Office to correct the social
security number for the employee. In no event should
the Department Business Administrator establish a
new record for the employee with an erroneous social
security number.

C.5. For non-U.S. citizens, the minimum documentation that the
Department Business Administrator must collect from the new
academic staff hire, to support an appointment is:
  • copy of the social security card or receipt for the
    application for a social security number (effective January
    1, 2000, no treaty benefits will be applied unless the non-
    resident alien has submitted a valid social security number
    or individual taxpayer identification number),
  • copy of I-94 and visa information from the passport,
  • copy of I-20 or IAP-66, and
  • Foreign National Information Form (FNIF)

The required forms may be obtained from the Office of International
Programs or from: http://www.finance.upenn.edu/comptroller/Forms/
at Tax section.
C.5.1. The Department Business Administrator should refer to the Office of International Programs’ *Guidelines for Hiring International Scholars: Faculty, Researchers, Staff and Students* for guidelines and requirements related to hiring non-U.S. citizens.

C.5.2. If the non-U.S. citizen does not have the appropriate visa for his/her position, the Department Business Administrator must send the individual to the Office of International Programs to complete the visa application.

C.5.3. If the non-U.S. citizen does not have a social security number, the Department Business Administrator must send the individual to the Social Security Administration Office at 3901 Market Street to apply for a permanent social security number.

C.5.4. Once the Department Business Administrator has entered the non-U.S. citizen employee information into the personnel/payroll system, the Department Business Administrator sends the non-U.S. citizen new hire with a copy of the minimum documentation to the Corporate Tax Department.

C.5.5. A new hire cannot be entered into the Penn Payroll/Personnel System without a social security number. If the non-U.S. citizen does not have a social security number, the Department Business Administrator must call the Human Resources Records Office to obtain a temporary University identification number.

C.5.6. The Department Business Administrator is responsible for ensuring that the non-U.S. citizen new hire has obtained a valid social security number. The Department Business Administrator must forward copies of the social security card to the Corporate Tax Department, the Human Resources Records Office, and when applicable, the Registrar’s Office with a memo requesting that they update the employee’s record. The department is responsible for the payment of any fines assessed by the federal government for incorrect social security numbers.

C.5.6.1. In the event that the Department Business Administrator becomes aware of an error in an employee’s social security number entered in the Penn Payroll/Personnel System, the Department Business Administrator must notify the Human Resource Records Office to correct the social security number for the employee.

C.5.6.2. In no event should the Department Business Administrator attempt to correct an employee record for an erroneous social security number by creating a new record. The
Department Business Administrator is to contact Human Resources Records Office who will then correct the employee payroll record. The Department Business Administrator is also responsible for notifying the Human Resources Record Office, the Corporate Tax Department, and when applicable, the Registrar’s Office when employees obtain their permanent social security number.

C.5.6.3. The department is responsible for payment of any fines or penalties assessed against the University for erroneous social security numbers.

D. The Department Business Administrator must also send the required paperwork for non-U.S. citizens to the Corporate Tax Department. If treaty benefits apply, the individual should go to the Corporate Tax Department to complete Form 8233.

D.1. The Corporate Tax Department reviews data for the employee in the Penn Payroll/Personnel System to ensure that the appropriate job class and earnings type codes have been input.

D.2. The Corporate Tax Department reviews the minimum documentation for completeness and accuracy with the new hire and enters the employee data in their database for reporting to the federal government.

D.3. The Corporate Tax Department forwards the originals of all minimum documentation to the Payroll office.

D.3.1. Upon receipt of the W-4 from the Corporate Tax Department, the Payroll Department activates the non-U.S. citizen new hire’s payroll record and then forwards the minimum documents to the Human Resources Records Office.

E. The Human Resources Records Office reviews the employee paperwork of U.S. citizens for completeness and accuracy with the data input by the Department Business Administrator’s in the Penn Payroll/Personnel System.

E.1. An employee file is prepared and the paperwork filed.

E.2. For U.S. citizens, the W-4 is sent to the Payroll Department in order that Payroll may activate the new employee’s payroll record.

E.3. Each month, the Human Resources Records Office produces a report of employees with temporary social security numbers and contacts the Department Business Administrators for follow up.

F. The Payroll Department activates the employee record after receiving the W-4 from the Human Resources Records Office or Corporate Tax Department. A new hire becomes an employee of the University
when the minimum record requirement is met and the minimum record flag is turned to “OK” by the Payroll Department.

F.1. The weekly pay cycle runs from 12:01 AM Monday through midnight on Sunday. Employees will be paid on the Friday following the week worked, except when there is a scheduled University holiday. In those instances, the pay date will be on the working day immediately preceding the holiday. Weekly employees, for whom positive reporting (see F.4. below) are required, are paid based on the hours reported for each pay period. Weekly employees eligible for exception reporting (see F.3. below) receive a paycheck based on normal working hours, unless overtime or unpaid absences are reported.

F.2. **Exception reporting employees are paid automatically** and no further action is required to receive the normal week’s pay once the employee has been activated on the Penn Payroll/Personnel system. Weekly, the Department Business Administrator updates the Penn Payroll/Personnel System for usage of paid time off or overtime hours worked, as necessary. The Penn Payroll/Personnel System maintains balances of paid time off for weekly paid employees.

F.3. **Positive reporting employees** will only be paid for the hours input by the Department Business Administrator, including payment for paid time off. Weekly, the Department Business Administrator updates the Penn Payroll/Personnel System for usage of paid time off or overtime hours worked, as necessary. The Penn Payroll/Personnel System maintains balances of paid time off for weekly paid employees.

G. The Department Business Administrator is responsible for ensuring that new hire data is properly entered into the Penn Payroll/Personnel System, and that the minimum documentation has been submitted to the Human Resources Records Office and the Tax Department on a timely basis to enable the Payroll Department to activate the new hire by the payroll deadline and to **have issuance of a paycheck in the current regular weekly pay period**. Payroll deadline schedules are on the Payroll website: [http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/](http://www.finance.upenn.edu/comptroller/accounting/closingsch/payroll/).

G.1. New hires whose **paperwork has not been submitted by the payroll deadline** will receive a consolidated payment during the next weekly payroll processing period. If the new hire date is after the Payroll Department’s cut-off, or if the paperwork is received after the cut-off date, the new hire will be paid as part of the next regular weekly payroll cycle. The Business Administrator is responsible for updating the payroll system for late pay information.

G.2. The Department Business Administrator or department manager is responsible for **reviewing payroll charges** to the department’s accounts to ensure that personnel are paid correctly for work performed and that the distribution reflects their activities. The Department Business Administrator is also responsible for ensuring
that employee paychecks and advices (for employees authorizing direct deposit of their net pay into their bank account) are secure and distributed only to authorized individuals. If checks are not picked up in a timely manner (within one month of issuance), the Department Business Administrator is responsible for their safe return to the Payroll Department.

G.3. **Late pay, pay reductions and reviewing pay transactions** for weekly paid employees are performed in accordance with the procedures detailed in the Payroll/Personnel Procedures Manual.

G.4. Payroll adjustments for **overpayments** are initiated by the Department Business Administrator in accordance with the Overpayments Procedure and the Overpayment Policy No. 2410

G.4.1. The Department Business Administrator must send a memo or email to the Payroll Department stating: the name, social security number, approximate gross amount and time period involving the employee in question. The Department Business Administrator is to instruct the employee not to spend the money and ensure that the money is returned in one lump sum immediately. The employee should write a check to “Trustees of the University of Pennsylvania” for the stated amount. The Department Business Administrator must send the check to the Payroll Department. Payroll processes the payroll correction and sends the repayment check to the Cashier’s Office for deposit into the appropriate account.

G.5. Payroll adjustments for **additional pay** are initiated by the Department Business Administrator in accordance with the Additional Pay Procedure and the Earned Compensation Policy No. 2404 The forms may be obtained at: [http://www.finance.upenn.edu/comptroller/Forms](http://www.finance.upenn.edu/comptroller/Forms).

G.5.1. The Department Business Administrator is responsible for ensuring that the form is properly completed with all required signatures and submitted to the Payroll Department.

G.6. **Retroactive pay adjustments** are initiated by the Department Business Administrator in accordance with the procedures detailed in Chapter 5 of the Time Reporting User Manual (version1.0, May 1994, and the Retroactive Pay Policy No. 2409

Retroactive payments are typically calculated as the difference between the prior hourly rate and the new hourly rate times the number of hours worked at the new rate. For individuals with more than one funding source during the period, the adjustment amount should be prorated between the funding sources. The earnings type RET [RET = retroactive pay] should be used for classifying these payments so that the reported work hours are accurate. The Department Business Administrator should verify that the amount paid in the prior period plus the adjustment amount being processed in the current period equal the amount due the employees.
G.7. **Paid Time Off** is earned by regular part and full time staff members whose salaries are based on service for twelve months as described in the Paid Time Off Policy No. 607. The Department Business Administrator is responsible for entering usage of paid time off.

G.7.1. The Department Business Administrator or person responsible for monitoring employee attendance and verifying the payroll records accurately reflect the balances due employees for paid time. See web site: [http://www.hr.upenn.edu/policy/](http://www.hr.upenn.edu/policy/) for policies related to paid time off.

G.8. The Department Business Administrator is responsible for maintaining records of unpaid time off for all employees.

G.9. For temporary employees, the Department Business Administrator reviews the time balance screen in the Penn Payroll/Personnel System to determine the number of hours worked to ensure they will not exceed the 999-hour threshold.

H. The **Senior Business Officer** of Schools or Centers will review at least monthly the action notification report to ensure that only authorized transactions have been entered into the Penn Payroll/Personnel System. The minimum criteria to select transactions for review are as follows:

1. New hires,
2. Changes to salary amounts,
3. Paid leaves, and
4. Job reclassifications and promotions.

Other criteria may be selected for review as the Senior Business Officer deems appropriate.

I. The processing of employee benefit elections is performed jointly by the Human Resources Benefits Office and the University’s outside vendors.

I.1. Weekly, the University provides an electronic file of new hires to the outside vendor. Within one week of notification, the outside vendor is responsible for contacting the employee and sending them the booklet with their benefit options. After the new employee selects his/her benefit options, the outside vendor records the new employee elections (excluding retirement plan elections), sends a confirmation of elections to the employee, and provides the University with a file documenting the elections. The file is used to determine the amounts withheld from the employee’s paycheck for the elections made.

I.2. The employee notifies the Penn Benefits Center or the designated outside vendor(s) of their selection for retirement plan options. The employee may also meet with a Benefits Specialist or designated outside vendor to review the retirement options available and document the elected withholding amount.
I.3. The Penn Benefits Center updates the Penn Payroll/Personnel System for deduction codes and amounts elected by the employee so proper deductions from the employee’s gross pay will be made.

I.4. For new hires who are transferring from one of the affiliated health services, the Human Resources Benefits Office reviews their prior experience and updates the Penn Payroll/Personnel System to ensure proper accumulation of benefits.

V. Related References:

D. Federal Work-Study Program Supervisor’s Manual