



Public Payroll: Tips and Traps to Avoid

Panelists

Bob Dolan, Deputy Fiscal Officer
Cuyahoga County Public Library

Jamie Nicholson, Finance Director
City of Pataskala

Nancy White, Township Administrator
Mifflin Township

Session Topics

1. How does each entity process payroll?
2. Earnings and Benefit Calculations
3. Payroll Deductions
4. Regulatory Reporting
5. Other Issues to Consider
6. Q&A

How Do You Process Payroll?

- In-House vs 3rd party (ADP, Paycor, etc.)
- Timekeeping (paper forms vs electronic)
- Net Pay Distribution (ACH vs paper)
- Union Considerations

Question #1:

Which of the following is not a benefit of using electronic timekeeping instead of using manual timesheets?

1. Eliminates the need to manually calculate hours worked
2. Employees are paid more quickly
3. Reduces the risk of fraud
4. Time calculations are more accurate

Considerations in Calculating Earnings & Gross Wages

- Pay scales
- FLSA Classifications (exempt vs non-exempt)
- Overtime calculations (8 hour day vs 40 hour work week)
- Special Payments
- Other Considerations:
 - Collective Bargaining Agreements
 - FMLA
 - Worker's Compensation

Question #2:

Which of the following is not a true statement?

1. Exempt employees are paid a salary
2. Non-Exempt employees are eligible for overtime pay
3. Non-Exempt employees typically perform managerial tasks
4. Exempt employees are not covered by the FLSA

Employee Payroll Deductions

- Voluntary vs Mandatory Deductions
- Pre-Tax, Post-Tax deductions
- Ohio Pension Systems (OPERS, OP&F, STRS, SERS & Highway Patrol)
 - Earnable/reportable salary
 - Pension pick-up

Employee Payroll Deductions

(cont'd)

- Tax Withholdings
 - Federal, State, Local & School District taxes
 - ‘Courtesy withholdings’
- Employee benefits
 - Medical, dental, vision & life insurance
 - Deferred Compensation/457 plans
 - Other deductions

Question #3:

Which of the following is not a true statement?

1. Typically, public employees participate in a state pension system
2. Health insurance is generally deducted on a pre-tax basis in accordance with IRS Section 125 regulations
3. Employee residence school district taxes are required to be withheld from employees pay
4. Public employers are required by the ORC to withhold for post-tax employee benefits such as long-term care insurance.

Payroll Review

- Every pay run, you should check for a number of things (not an inclusive list):
 - Full-time employees having less than 40 hours per week
 - Employees having larger than usual/typical earnings
 - Confirm that all employees who should be paid actually are
 - Confirm that the sum of the individual employee pay/hours matches the organizational totals
 - Verify that newly hired employees are paid correctly

Payroll Review

(cont'd)

- Tax Withholdings
 - Review IRS Form 941
 - Review state, local and school district reporting
- Annual Employee Reporting
 - IRS Form W-2 (paper vs electronic)
 - ACA Forms 1094 and 1095
 - Other reporting
 - OPERS Independent Contractor Acknowledgement

Question #4:

Which of the following is a true statement?

1. Employers should review and validate only the employee net pay amounts in each pay period.
2. IRS Form 941 is only required if you have a payroll greater than \$25,000.
3. Generally, OPERS requires public employers to report all independent contractors organized as an individual or partnership.

Contact Information

Bob Dolan

Cuyahoga County Public Library
Deputy Fiscal Officer

rdolan@cuyahogalibrary.org

(216) 749-9511

Jamie Nicholson

Finance Director, City of Pataskala

jnicholson@ci.pataskala.oh.us

(740) 964-6274

Nancy White

Mifflin Township Administrator

whiten@mifflin-oh.gov

(614) 471-4494