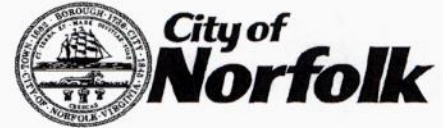


Policy and Administrative Regulations

CHAPTER 3: RECRUITMENT AND HIRING

TITLE: Compensation Practices (3.4)

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EFFECTIVE DATE: October 14, 2019

POLICY ORGANIZATION: Department of Human Resources

APPROVAL

I. PURPOSE

The City of Norfolk is committed to providing compensation designed to increase the City's competitiveness in recruiting and retaining an agile and innovative workforce and to establish consistent compensation practices across all City departments and agencies. This policy provides general guidance regarding the process and policy to realize this commitment.

II. POLICY

Information relating to the compensation of City employees is contained in the City's Compensation Plan. This Plan is adopted by City Council by ordinance prior to the start of each fiscal year, but it may be amended at any time by City Council should changes become necessary. For most positions, the Compensation Plan provides pay ranges, and rules governing how the Compensation Plan is to be applied to employees. The comprehensive rules and regulations in the Compensation Plan contain provisions governing such things as starting salaries, overtime, and special duty and education supplements. The Compensation Plan and its corresponding regulations are intended to cover and include all monetary compensation payable to City employees.

Since some of the regulations are complex and changes may be made throughout the year, the Department of Human Resources should be contacted with any questions that cannot be fully answered by an employee's supervisor.

An important section of the Compensation Plan addresses the issue of overtime and provides the regulations governing overtime compensation. The federal Fair Labor Standards Act requires the City to have the rules governing overtime closely followed and to require supervisors to monitor the amount of overtime being worked. Employees may not work overtime unless their supervisor has properly authorized it in advance. Furthermore, non-exempt employees must correctly report to their supervisor all overtime worked, including time worked on City functions away from their standard work environment (including work completed at home).

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III. PROCEDURE

Methods of Pay

Effective July 1, 2016, the City of Norfolk uses Direct Deposit to pay ALL its employees, including new and current full-time and part-time, temporary and casual employees. Only casual and temporary employees working for less than three months may be exempt from direct deposit participation, though participation is strongly encouraged. Paper paychecks will only be issued for the first paycheck to verify banking details. Each person employed by the City shall, as a condition of employment, designate a bank, credit union or other institution with the capability of receiving direct deposits as the depository institution to receive an employee's pay.

Direct Deposit is a benefit that electronically deposits pay into the depository financial institution account(s) chosen by an employee each payday. Each pay period, information is delivered to the Automated Clearinghouse Association, which deposits the employee's net pay in either a checking or savings account at their financial institution.

Newly hired employees must complete a Direct Deposit Authorization Form to ensure direct deposit information is captured as access to PeopleSoft Self-Service may not be granted on the first day of work. Any changes to direct deposit information must be made via PeopleSoft Self-Service. Direct deposit will start the second payday after the account information is entered via Self-Service. This will allow time for the employee's financial institution to receive a pre-notification message to confirm that the employee's account number is valid. Employees will have access to current and historical pay advices through PeopleSoft Self-Service to confirm that pay was deposited into the designated financial institution. Any employee who changes financial institutions should immediately edit their information in PeopleSoft Self-Service to prevent their pay from going into a closed account. A new pre-notification message will be transmitted to the employee's financial institution after changes to direct deposit information. During this period, a paper paycheck will be issued, and the new direct deposit will start the second payday after the account information is entered via PeopleSoft Self-Service.

Employees may specify up to four (4) accounts in which to deposit their pay. The full amount of the employee's net pay must be deposited. If an employee has wages garnished or levied for taxes, the employee's use of direct deposit will not be suspended during the garnishment period. Any questions concerning direct deposit should be

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referred to the Department of Finance - Payroll Division by contacting FIN-Payroll Processors.

Payday Determination

Employees are paid on a bi-weekly basis on the Friday following the end of the pay period. If the regular payday falls on a holiday, employees are paid on the preceding workday.

Loss of Paper Paycheck

If an employee who receives a paper paycheck loses their paycheck, the Department of Finance - FIN-Payroll Processors must be contacted immediately to ensure that the lost check is stopped and reissued.

Payroll Deductions

Deductions fall into three (3) categories:

1. **Legally Required Deductions** – The Internal Revenue Code, 1954, as amended, requires an employer to withhold federal income taxes on wages earned. The amount of taxes withheld from gross salary is in accordance with the withholding tax table established by the United States government. This table is used in conjunction with the federal withholding exemption certificate (Form W-4), which all employees must file with the Department of Human Resources upon employment and can subsequently revise on PeopleSoft Self-Service. The law also requires that tax be withheld from overtime and other additional payments. Other income-related deductions such as State income tax shall be withheld pursuant to the provisions of the applicable act, as will deductions for Social Security and Medicare (FICA), as applicable. Subsequent changes to State income withholdings can be completed by submitting an updated VA-4 Withholding form to Human Resources. Federal withholding elections can be maintained via PeopleSoft Self-service.
2. **Involuntary Deductions** – The City recognizes and enforces any court-ordered deductions such as garnishments and child support payments pursuant to the guidelines established by the applicable state statutes. The City will also adhere to Federal, State, or Municipal tax levies.
3. **Voluntary Deductions** – These deductions include family and dependent hospitalization coverage, optional life insurance, credit union, United Way,

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deferred compensation, various other insurance coverage and deductions sanctioned by the City and requested and authorized by the individual employee.

IV. RESPONSIBILITY

A. Employees

All employees are responsible for adhering to the guidelines established in this policy and for ensuring their banking information provided to Finance and Human Resources reflect current information to ensure appropriate processing of compensation.

B. Managers/Supervisors

Managers and supervisors are responsible for adhering to the guidelines established in this policy and ensuring employees have current and accurate information relative to salary and pay processing.

C. Finance

The Department of Finance is responsible for processing Direct Deposit information entered in PeopleSoft and coordinating with financial institutions. Finance also manages issuance of any required paper checks for payment to employees.

D. Human Resources

The Department of Human Resources is responsible for providing policy administration and guidance and for preparing and updating the Compensation Plan, as needed.

E. City Manager

The City Manager is responsible for forwarding for City Council action the Annual Compensation Plan and amendments to that plan.

V. HISTORY

This policy replaces Salary Information, Policy Number 3.4, dated January 1, 2004.

VI. AUTHORITY

This policy has been established by the City Manager.

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VII. REGULATION UPDATE

Modifications of this policy shall be the responsibility of the Department of Human Resources under the advisement of the City Manager.

Approved as to Content:

 Date: 9/26/19

Marva Smith

Human Resources Director

 Date: 9/25/19

Christine Garczynski

Finance Director

 Date: 10/7/19

Catheryn Whitesell

Deputy City Manager