

## Compensation and Payroll Policy

**Employee Debt to the Division** The Division will pursue repayment of debts owed to the Division by current or former employees. Debts owed upon termination of employment may be repaid through deductions from final pay. In other cases, the Division may work with employees or former employees to establish repayment plans. The Division will report overpayments to employees as required by A.C.A. § 25-1-124 et seq. This indebtedness can include, but is not limited to, failure to return or damages to Division owned equipment, payroll overpayments, and theft or misuse of Division resources.

**Garnishments and Child Support** The Division follows state and federal laws concerning garnishment of wages. The Division will comply with all appropriate court-ordered collection of wages and with all related reporting requirements. The Division charges an administrative fee for each child support payment processed through payroll.

**Payroll Deductions** The Division makes certain payroll deductions automatically and others are made at the request of the employee. Deductions are as follows:

- **Social Security (FICA)** - All full-time, benefits-eligible employees are subject to Social Security deductions, not to exceed the annual maximum set by the Social Security Administration. These deductions are shown in two parts on the check stub: Social Security (FICA OLD AGE) and Medicare (FICA MEDICAL). The Division makes equal contributions on behalf of the employee. For more information about Social Security and Medicare benefits, please visit the Social Security Administration website or call 1 (800) 772-1213.
- **Retirement** - Contact the Office of Human Resources for information regarding retirement plans.
- **Group Insurance** - The Division pays certain premiums for the employee's group insurance. Payroll deductions are made for employees who insure themselves or dependents for health and dental coverage and those who elect to carry additional employee life insurance. Insurance premiums may be paid on a pretax basis through the Cafeteria Plan at the employee's discretion.
- **Income Tax** - Both federal and state taxes are automatically deducted from the paycheck according to information on the W-4.
- **Other Deductions** - Other approved deductions are made as authorized by the employee.

**Professional Services Contract Employment** Only within guidelines and with expressed prior approval may current state employees contract to provide services to their employer and/or any other State agency or institution. (For example contracts awarded through the competitive sealed bid process may, in general, be awarded to state employees.) Before entering into any contract to provide services, employees should contact General Counsel, Human Resources or Procurement for assistance and information. Employees must comply with outside employment rules prior to award of any contract to an employee. Employees who knowingly violate the state regulations regarding professional services contracts may be subject to fines and/or disciplinary actions.

**Salary Information** Payroll checks are issued as follows: 1. Employees are paid on a semimonthly basis on the 15th and the last day of the month. If payday is on a weekend or holiday, the pay is received the previous working day. 2. All employees are required to have paychecks direct deposited. NOTE: Adjustments to pay will be made in the earliest possible pay period.