

# BUS5.5.1 - Payroll Procedures: Salary Deductions and Reductions

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## B - Business

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### Payroll Procedures and Schedules

#### Objective:

To ensure that all payroll operations are conducted in a timely, accurate, and legally compliant manner, in accordance with Arizona state laws and District guidelines.

#### Pay Schedule:

The District shall establish at least two (2) fixed paydays each month, ensuring that no more than sixteen (16) days elapse between consecutive paydays. These paydays shall be consistent with the requirements set forth in **A.R.S. §§ 23-351 and 15-502**.

#### Payment Options:

Employees have the option to:

1. **Receive Full Payment Upon Completion of Assignments:** Employees may opt to receive their full salary upon the last scheduled payday after they have completed their work assignments for the academic or fiscal year.
2. **Annualized Pay:** Employees may choose to have their pay annualized over the fiscal year, even if the work period is shorter than 12 months. Employees electing to defer wages into the next fiscal year must submit a written deferral election form before the first duty day of the fiscal year of the deferral. Forms will be provided by the District, and any changes to this election must be made prior to the start of the fiscal year.

Employees who fail to submit the appropriate deferral documentation before the first duty day may be subject to penalties as per Internal Revenue Service (IRS) regulations.

#### Payment upon Termination:

- **Voluntary Resignation:** Employees who voluntarily resign will be paid all wages due on the next regular payday for the period in which the resignation takes place.
- **Discharge:** Employees who are terminated from District service shall receive all wages due within ten (10) calendar days following their discharge, as required by **A.R.S. § 23-353**.

#### Payroll Distribution:

Wages may be distributed through direct deposit, electronic payment, or mailed check. Employees who wish to receive their payment by mail may request this in writing to the District's payroll office.

#### Compliance:

All payroll procedures shall comply with federal, state, and District regulations. The District shall ensure timely and accurate payment of wages in accordance with Arizona Revised Statutes.

## Salary Deductions

**Objective:**

To establish a clear and compliant framework for salary deductions for District employees, ensuring that all deductions adhere to applicable laws and District policies.

**Involuntary Deductions (Public Record):**

The District is required to make certain deductions from employee pay as mandated by federal and state laws. These include:

- **Federal and Arizona State Income Taxes:** Deductions as required by law.
- **Social Security (OASI/FICA):** Deductions for Social Security and Medicare as required by federal law.
- **Arizona State Retirement System (ASRS):** Mandatory employee contributions as required by state law.

Any additional involuntary deductions, such as garnishments or levies, may only be applied when ordered by a court or legal authority with jurisdiction over the matter.

**Voluntary Deductions and Redirections (Not Public Record):**

Employees may authorize the following voluntary deductions from their paychecks. These deductions are confidential and are not considered part of the public record:

- **Insurance Premiums:** Deductions for employee or dependent coverage under Board-approved Section 125 cafeteria plans.
- **Direct Deposit:** Authorization for the direct deposit of net payroll into financial institutions.
- **Tax-Sheltered Annuities (TSAs):** Contributions to approved tax-sheltered annuity plans.
- **Credit Union Deposits:** Deductions for contributions to authorized credit unions.
- **Professional Dues:** Deductions for membership in professional organizations as approved by the District.

All voluntary deductions must be authorized by the employee in writing and may be modified or revoked in accordance with District procedures.

**Compliance:**

The Superintendent shall develop and implement procedures that ensure all payroll deductions conform to federal and state law, as well as District policies. Employees shall receive their paychecks no later than the established payroll dates.

**Legal References:**

This policy is in compliance with the following statutory requirements:

- **A.R.S. § 15-121** (Deductions and Contributions for Retirement)
- **A.R.S. § 15-135** (Mandatory Contributions to Retirement System)
- **A.R.S. § 23-352** (Wage Deductions)