



Payroll Training

PRESENTED BY:

THE MASBO PAYROLL
COMMITTEE AND STAFF

FEBRUARY 20TH, 2023

The Montana Association of School Business Payroll Committee



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AGENDA

- ▶ 8:00 - 8:30 Welcome and Introductions
- ▶ 8:30 - 10:30 Employment Types in School Districts
Advertising and Applications
- ▶ 10:30 - 10:45 BREAK
- ▶ 10:45 - 11:45 Interviewing and Hiring
- ▶ 11:45 – 12:30 LUNCH
- ▶ 12:45 – 2:30 Enrollment Packets and Payroll Setup
- ▶ 2:30 – 2:45 BREAK
- ▶ 2:45- 4:30 Benefit Deductions and Leave Type Overviews
Record Organization and Retainment

Before We Get Started

Wi-Fi Password...

Bathrooms are located...

Lunch will be provided
by Jimmy Johns

Introductions

What are you hoping to learn today?

Nobody has responded yet.

Hang tight! Responses are coming in.



Who works in
your School?

TYPES OF EMPLOYEES

- ▶ ADMINISTRATIVE EMPLOYEES
- ▶ CERTIFIED EMPLOYEES
- ▶ CLASSIFIED EMPLOYEES
- ▶ SUBSTITUTE TEACHERS
- ▶ SUBSTITUTE CLASSIFIED EMPLOYEES
- ▶ TEMPORARY EMPLOYEES
- ▶ SEASONAL EMPLOYEES
- ▶ STUDENT EMPLOYEES
- ▶ FOREIGN TEACHERS

ADMINISTRATIVE EMPLOYEES

SUPERINTENDENTS, PRINCIPALS & BUSINESS MANAGERS/CLERKS

- ▶ Serve in a supervisory capacity and make decisions which affect the management or general business operations of the District.
- ▶ Primary duty includes the exercise of discretion and independent judgement with respect to matters of significance.
- ▶ Work year extends past the regular school year.
- ▶ Use [State Wage & Hour Law](#) to appropriately categorize these employees.

ADMINISTRATIVE EMPLOYEES

SUPERINTENDENTS, PRINCIPALS & BUSINESS MANAGERS/CLERKS -Continued-

- Generally, administrative employees are exempt from overtime.
- Certain supervisory personnel (i.e. building management and maintenance, social workers, psychologists, curriculum supervisors) who meet criteria for exemption from overtime. (See exempt/non-exempt employee slide)



Montana Department of
LABOR & INDUSTRY
EMPLOYMENT STANDARDS DIVISION

Contracts can be 3 years or less. Second & subsequent contracts are automatically renewed for one year if Board does not take action prior to February 1st. [MCA 20-4-401](#)
[MCA 20-3-321](#) and [MCA 20-3-325](#)

CERTIFIED EMPLOYEES

TEACHERS, COUNSELORS, SCHOOL NURSES, LIBRARIANS, SPECIALISTS-PSYCHOLOGISTS, SPEECH THERAPISTS, PHYSICAL THERAPISTS & PRINCIPALS

- ▶ Certified employees are usually contracted for the school year, often under a Negotiated Agreement or Collective Bargaining Agreement.
- ▶ Normally exempt from overtime law.
- ▶ ***Principals are both Administrative and Certified Employees. They are not held to the CBA but may still follow most of its parameters. Principals can receive additional leave above that of certified teachers.

CERTIFIED EMPLOYEES

TEACHERS, COUNSELORS, SCHOOL NURSES, LIBRARIANS, SPECIALISTS-PSYCHOLOGISTS, SPEECH THERAPISTS, PHYSICAL THERAPISTS, & PRINCIPALS

TENURE-Teachers are the only employee awarded tenure upon the acceptance of a contract for the fourth consecutive year of employment by a district, in accordance with 20-4-203, MCA. The teacher is reelected from year to year as a tenured teacher at the same salary, unless the trustees resolve by majority vote to terminate the services of the teacher in accordance with 20-4-204, MCA.

CLASSIFIED EMPLOYEES

▶ **ADMINISTRATIVE ASSISTANTS, SECRETARIES, CUSTODIAL STAFF, BUS DRIVERS, PARAPROFESSIONALS, AIDES, FOOD SERVICE WORKERS & CROSSING GUARDS**

- ▶ These are hourly employees; may be covered by a Negotiated Agreement or Collective Bargaining Agreement.
- ▶ The annual term of employment is determined by job responsibilities
 - ▶ i.e. paraprofessional=school year, custodian=full year.
- ▶ These employees are subject to overtime provisions.

A substitute teacher must be licensed and provided a contract if working in the same position for more than 35 consecutive days.



PARDON ME . . .
I'm a
**SUBSTITUTE
TEACHER**
May I Help
SAVE THE DAY?

Licensed by **STEDI**
Utah State University

0%

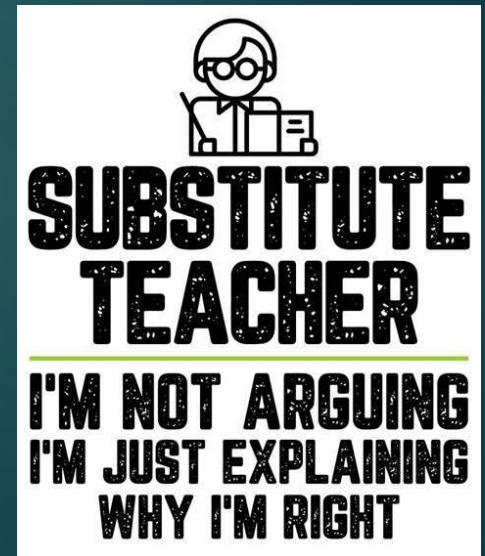
True

0%

False

SUBSTITUTE TEACHERS

- ▶ May or may not be certified. Montana law does not require certification for substitutes; however preference shall be given to those substitutes who are properly licensed.
- ▶ Rate of pay may be hourly or daily; different rates of pay may apply for certified vs. non-certified substitutes.
- ▶ Licensed long term substitute teachers, who have substituted in the same position for more than 35 consecutive teaching days, will be placed under contract.



SUBSTITUTE CLASSIFIED EMPLOYEES



- ▶ Anyone employed on an as-needed basis to fill-in for an absent employee or to fill a temporary special need for the district.
- ▶ Typically hourly employees.
- ▶ Subject to overtime provisions.

TEMPORARY EMPLOYEES

Defined in [2-18-101, MCA](#) as:

"Temporary employee" means an employee who:

- (a) is designated as temporary by an agency for a definite period of time not to exceed 12 months;
- (b) performs duties on a temporary basis;
- (c) is not eligible for permanent status;
- (d) is terminated at the end of the employment period; and
- (e) is not eligible to become a permanent employee without a competitive selection process.



SHORT-TERM WORKER



Defined in [2-18-101, MCA](#) as:

"Short-term worker" means a person who:

- (a) may be hired by an agency without using a competitive hiring process for an hourly wage established by the agency;
- (b) may not work for the agency for more than 90 days in a continuous 12-month period;
- (c) is not eligible for permanent status;
- (d) may not be hired into a permanent position by the agency without a competitive selection process;
- (e) is not eligible to earn the leave and holiday benefits provided in part 6 of this chapter; and
- (f) may be discharged without cause.

SEASONAL EMPLOYEE

Defined in [2-18-101, MCA](#) as:

"Seasonal employee" means a permanent employee who is designated by an agency as seasonal, who performs duties interrupted by the seasons, and who may be recalled without the loss of rights or benefits accrued during the preceding season.



STUDENT INTERN (TEACHER)

Defined in 2-18-101, MCA as:

"Student intern" means a person who:

- (a) has been accepted in or is currently enrolled in an accredited school, college, or university and may be hired by an agency in a student intern position without using a competitive selection process;
- (b) is not eligible for permanent status;
- (c) is not eligible to become a permanent employee without a competitive selection process;
- (d) must be covered by the hiring agency's workers' compensation insurance;
- (e) is not eligible to earn the leave and holiday benefits provided for in part 6 of this chapter; and
- (f) may be discharged without cause.

STUDENT EMPLOYEES

- ▶ To ensure compliance, refer to [Montana Child Labor Law](#) for any student employment situations.
- ▶ A student who is employed by a school and is regularly enrolled and regularly attending classes is excepted from FICA (social Security and Medicare) taxes. See [IRC Section 3121\(b\)\(10\) \(Student FICA Exception\)](#).



STUDENT EMPLOYEES

- ▶ According to the Social Security Administration: “The student exclusion applies only during periods of regular school attendance, whether during the regular academic year or in summer session. The exclusion does not apply to work done during summer vacation if the student is not attending a summer session. Services performed by students during the holidays (e.g., Christmas break,) weekends, seasonal breaks and between semesters falling within the academic year when classes are not scheduled are excluded.”
- ▶ Student workers are excluded from reporting unless they are not attending classes during a time when classes are offered.
- ▶ Full-time students working at and attending the same public school are also excluded from Montana Public Employees Retirement System (MPERA).
- ▶ Students are exempt from **unemployment** if they are regularly enrolled and regularly attending classes, but not exempt during the summer.

FOREIGN TEACHERS

- ▶ For the purposes of payroll tax reporting, these teachers are “nonresident aliens”, under a J-1 visitor’s visa.
- ▶ For the first two years of their employment, they are subject to state taxes only. The third year, foreign teachers will be subject to FICA, Federal and State taxes.



FOREIGN TEACHERS

- ▶ Foreign teachers are required to enroll in TRS.
 - ▶ will be able to withdraw their TRS contributions when employment ends.
 - ▶ may receive a tax exemption on contributions, when their employment ends.
- ▶ Foreign teachers are subject to workers compensation.
- ▶ No unemployment insurance deductions at all.
- ▶ Per U.S. Department of State requirements, you must have insurance coverage that meets specific guidelines.
 - ▶ Many school's/school districts' insurance policies do not meet the Department of State requirements.
 - ▶ Supplemental insurance plans are available that will meet the Department of State requirements.

MASBO PAYROLL MANUAL UPDATE FOREIGN TEACHERS

For the purposes of payroll tax reporting, these teachers are “nonresident aliens”.

Exempt from Social Security and Medicare withholding:

IRS Alien Liability for Social Security and Medicare Taxes of Foreign Teachers, Foreign Researchers, and Other Foreign Professionals



MANUAL UPDATE FOREIGN TEACHERS

Foreign scholars, teachers, researchers, trainees, physicians, au pairs, summer camp workers, and other non-students in J-1, Q-1 or Q-2 nonimmigrant status who have been in the United States less than two calendar years are still Nonresident Aliens and are still exempt from Social Security/Medicare taxes.

However, foreign scholars, teachers, researchers, trainees, physicians, au pairs, summer camp workers, and other non-students in J-1, Q-1 or Q-2 nonimmigrant status who have been in the United States more than two calendar years are Resident Aliens and are liable for Social Security/Medicare taxes.

When measuring an alien's date of entry for the purposes of determining the two calendar years mentioned above, the actual date of entry is not important. It is the calendar year of entry which is counted toward the two calendar years. Thus, for example, a foreign teacher who enters the United States on December 31, 2012 counts 2012 as the first of his two years as an "exempt individual."

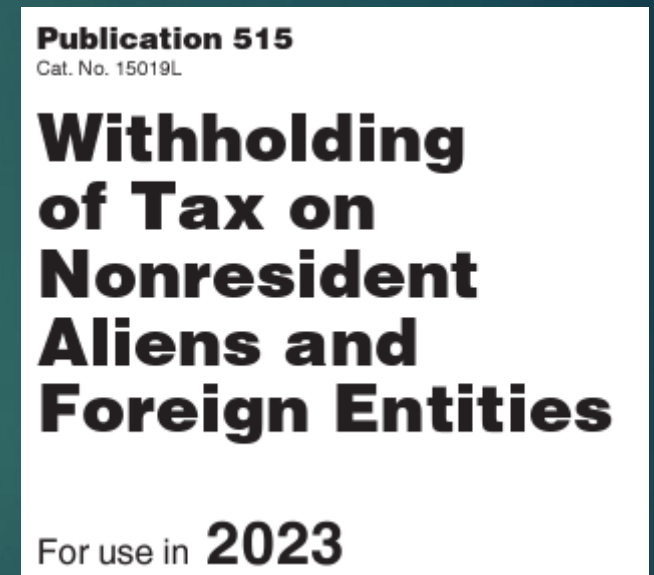
MANUAL UPDATE FOREIGN TEACHERS

Exempt from federal withholding

Pay of teachers who are residents of countries with tax treaties are generally exempt from U.S. income tax for 2 or 3 years if they temporarily visit the United States to teach. (2 years for teachers from the Philippines)

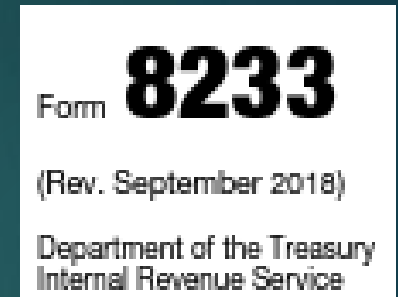
The exemption applies to pay earned by the visiting teacher during the applicable period.

For most countries under a tax treaty, the applicable period begins on the date of arrival in the United States for the purpose of teaching.



MANUAL UPDATE FOREIGN TEACHERS

Your employee should file Form 8233 Exemption from Withholding on Compensation 



- ▶ Do not complete Form W-4. It seems non-resident aliens are subject to federal income tax, **except** if they are claiming an exemption due to a tax treaty between their country and the USA. For more information please, see [Notice 1392 Supplemental Form W-4 Instructions for Nonresident Aliens](#).
- ▶ Read on page 1, right side column under “Are there any exceptions to this withholding?”.
- ▶ Employers must report wages exempt under a tax treaty paid to a nonresident alien on [IRS Form 1042](#), and [IRS Form 1042-S](#). See [Aliens Employed in the U.S.](#)

MANUAL UPDATE FOREIGN TEACHERS

▶ State Withholding

- ▶ See the MT Dept. of Revenue [Montana Employer and Information Agent Guide](#)-Withholding from Nonresidents and Nonresident Aliens:
- ▶ Compensation to a nonresident alien is subject to Montana income tax withholding in all cases unless the compensation is specifically exempted under Montana law.
- ▶ The determination of whether a nonresident alien qualifies for tax treaty exclusion is not made until the Montana individual income tax return is filed by the nonresident alien.



MANUAL UPDATE FOREIGN TEACHERS

State Unemployment

- ▶ Aliens, nonresident: Working under section 101(a)(15) of the Immigration and Nationality Act, as amended, for the purposes identified in 8 USC 1101(a)(15)(F), (H)(ii)(a), (J), (M), or (Q) (See 39-51-204(p), MCA), they are EXEMPT.

MT Worker's Compensation

- ▶ Under Section 39-71-401, MCA, **ALL** employers and employees are covered under Montana's Workers' Compensation Act.
- ▶ Section 39-71-118, MCA, defines an employee or worker as: each person in this state, including a contractor other than an independent contractor who is in the service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied, oral or written. The terms include aliens and minors, whether lawfully or unlawfully employed, and all of the elected and appointed paid public officers and officers and members of boards of directors of quasi-public or private corporations, except those officers identified in 39-71-401(2), while rendering actual service for the corporations for pay.

FOREIGN TEACHERS

J1 Visa Health Insurance Requirements

Minimum insurance requirements outlined by Department of State regulations.

Coverage MUST include the following:

- ▶ medical benefits of at least \$100,000 per illness or accident
- ▶ deductible not to exceed \$500 per accident or illness
- ▶ expenses associated with medical evacuation in the amount of \$50,000
- ▶ repatriation of remains in the event of death in the amount of \$25,000
- ▶ Coverage of pre-existing conditions after a reasonable waiting period
- ▶ Co-payments that do not exceed 25 percent



J1 Teachers (Nonresident Aliens)

| Federal Withholding and FICA | State | Workers Comp | Unemployment | Retirement |
|---|----------|--------------|--------------|------------|
| None under 2 years | Withhold | Yes | Exempt | Yes |
| Withhold after 2 years | Withhold | Yes | Exempt | Yes |
| *Teachers from Philippines are 2 years others will be 3 years | | | | |
| **The clock starts on the first day they arrive. If they start on September 1 or on December 31, that counts as 1 year. IE Start date was 9/1/2021. 2021 is first year, 2022 is second year. You start federal withholding/fica on January 1, 2023. | | | | |



Recruitment

Job Descriptions

No! I think it's a great idea to interview four people before deciding what your real hiring requirements are.

...Said no recruiter, ever.

someecards
user card



- ▶ Need to be created by the Trustees and evaluated regularly for **ALL** employees of the District. [ARM 10.55.701](#)
- ▶ Adjusting job descriptions for certified staff covered by a collective bargaining agreement may require negotiations.
- ▶ Essential functions of the job
- ▶ Duties performed by staff in the position
- ▶ Evaluations are based on the job description

Exempt vs. Non-Exempt

Exempt Employee

- ▶ Employee exempt from the overtime provisions of the Fair Labor Standards Act (FLSA).
 - ▶ Salary level test: flat rate of pay over \$684 per week or \$35,568 annually.
 - ▶ Salary basis test: With very limited exceptions, the employer must pay employees their full salary in any week they perform work, regardless of the quality or quantity of the work.
 - ▶ [Duties Test](#)
- ▶ [29 CFR 541.303\(b\)](#) Teachers are exempt regardless of salary threshold.

Non Exempt

- ▶ An individual who is not exempt from the overtime provisions of the FLSA and is therefore entitled to overtime pay for all hours worked beyond 40 in a workweek (as well as any state overtime provisions). Nonexempt employees may be paid on a salary, hourly or other basis.



By law, Montana Public Schools are required to advertise any open position, in a publication of general circulation or on their website.

True

0%

False

0%

I Have No Idea

0%



ADVERTISE

ADVERTISEMENTS SHOULD INCLUDE:

Essential duties & minimum qualifications- job descriptions

Application packet requirements

Is a pre-employment physical or drug testing required?

Notice of background checks requirements and re-dissemination.

Veteran's preference and an equal employment, non-discrimination statement

Advertisement is not required by law. Emergencies may require hiring without advertisement. Consistency is key to avoid legal issues.

Check school policy, collective bargaining documents, MTSBA or other legal examples, and your liability insurance provider for more information.



ADVERTISE



APPLICATIONS

Two applications: Certified and Classified (Consider use of MTSBA Templates)

- A. Equal Opportunity Employer
- B. Proof of Employability
- C. Drug Free/Tobacco Free Policies
- D. Veteran's Preference
- E. Right and Consent to Fingerprint
- F. NCPA/VCA Applicant form (background check)
- G. Position applying for
- H. Clearly defined additional documents requested- Resume, Letter of Interest, Letters of Reference, Transcripts, etc.
- I. Applications are public documents



APPLICATION BARRIERS

Is the application online friendly?

- Is it easy to find on the website?
- Does it require downloading or importing?
- Can I fill it out online?
- Is it mobile app ready?

What does your application timeline look like?

- How long does the application itself take?
- Does the applicant receive a response upon applying?
- How long does it take to schedule interviews?
- Is your team organized in it's application processing?

Is the application asking for the right information?

- Are the questions duplicated in multiple areas?
- Do the questions give you an accurate representation of the applicant?



WHEN THE ADMIN HAS



A BRUTAL SENSE OF HUMOR

BREAK
TIME



INTERVIEWS & HIRING

Your First Impression

▶ **Hiring Committee Members**

- ▶ Superintendent
- ▶ Principal
- ▶ Head of Department
- ▶ Lead Teacher
- ▶ Trustee
- ▶ Business Manager
- ▶ All dependent on the position

▶ **Open Meeting Laws**

- ▶ Is a Trustee on the Committee
- ▶ Committee Notes

SCREENING



SCREENING

▶ Delegation of Duties To Committee Members

- ▶ Scheduling and Noticing
- ▶ Reference Checks
- ▶ Background Checks
 - ▶ Does the school or the applicant pay- communicate requirements?
 - ▶ Do you background check prior to interviews or only check the successful applicant?
- ▶ Other Screening- physicals, drug testing, etc.
- ▶ Removal of Equal Employment Opportunity Survey filed separately
- ▶ Application Scoring Process



INTERVIEWING

- ▶ Appropriate Interview Questions
 - ▶ Use the same questions and/or tasks for all candidates
 - ▶ Notes taken in committee are part of the record
 - ▶ Questions are asked by the same person in the same order
 - ▶ Avoid discriminatory questions, comments, chit-chat
 - ▶ Age (I think my sister graduated with you)
 - ▶ Marital Status
 - ▶ Religion
 - ▶ Family make-up (How old are your children....)

Per MT Administrative Rules, background checks are required for all school staff.



0%

True

0%



False



BACKGROUND CHECKS

- ▶ Substitutes and Bus Drivers required by Montana administrative rule. [ARM 10-55-716](#) and [10-64-201](#)
- ▶ Best Practices to require a background check for all staff who have unsupervised access to students including volunteers.
- ▶ Who can view a background check.
- ▶ Training- Criminal Records Identification Service Section (CRISS)
 - ▶ E-mail: dojcriss@mt.gov
Phone: (406) 444-3625

HIRING BEST PRACTICES

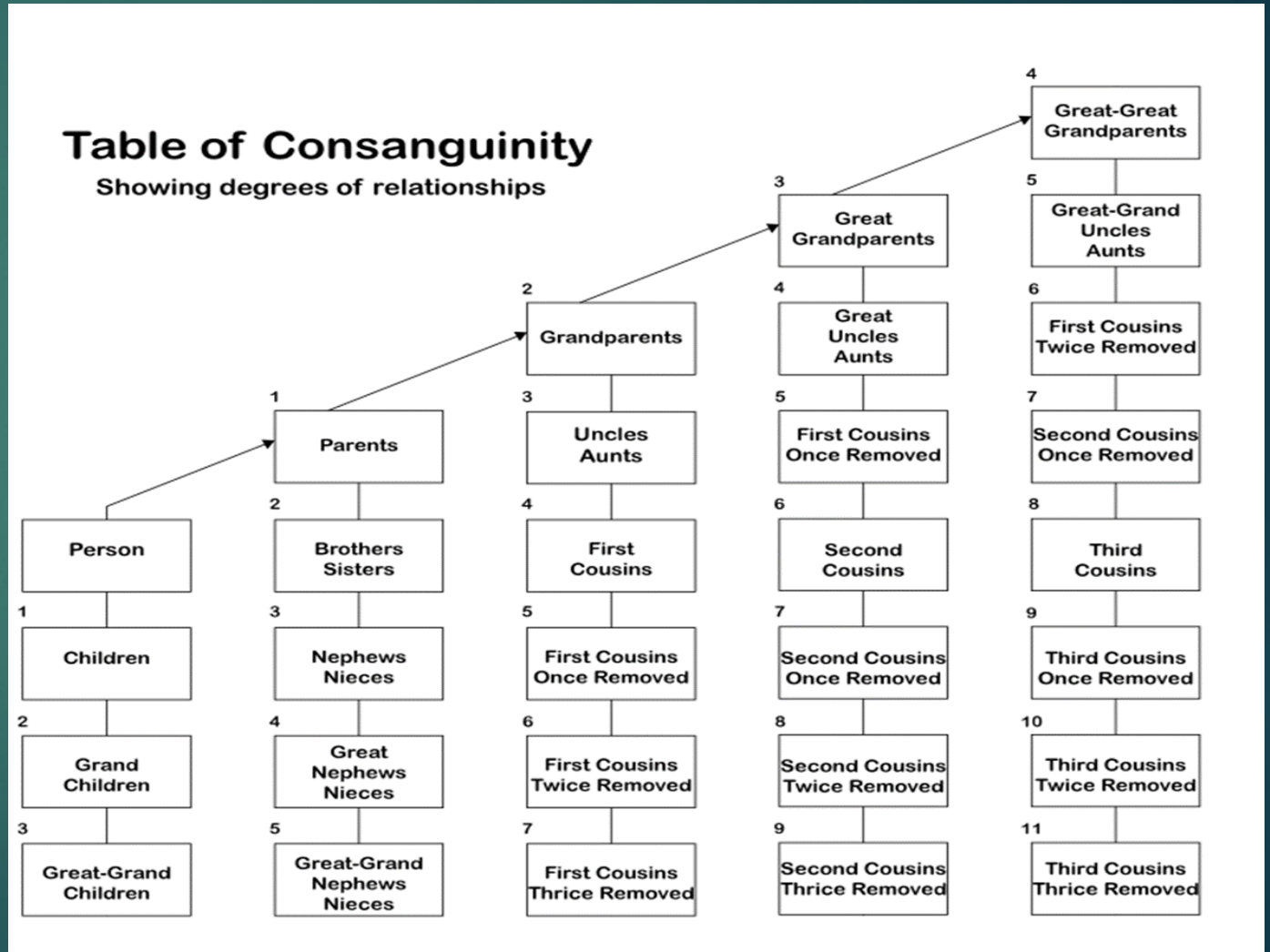
▶ **Prior to Board Approval At a Duly Noticed Meeting**

- ▶ Background check completed
- ▶ Pre-employment screens are completed
- ▶ Certifications and licenses are verified if applicable
- ▶ Hiring Committee and/or Superintendent are ready to make recommendation
- ▶ The candidate is aware of the Board meeting and discussion, background check requirements, and that contracts are issued AFTER Board approval of an offer of employment

THE CANDIDATE IS RELATED TO WHO?

Is any Board member related to the candidate?

- 4th degree of consanguinity or affinity of the 2nd degree
- [MCA 2-2-302](#)
 - Publish 15 days notice.
 - Relative abstains.
 - ALL remaining trustees must vote in favor of the hire.



Contracts

- ▶ Clear beginning and ending dates
- ▶ Signed & dated by employee, Board Chair, and District Clerk
- ▶ Rate of pay & other compensation
- ▶ Leave accrual rate
- ▶ Principals & Teachers- Automatically renewed if Board does not take action and notify that employee prior to June 1st. [MCA 20-4-205](#)
- ▶ Superintendents- Contracts can be 3 years or less. Second and subsequent contracts are automatically renewed for one year if Board does not take action prior to February 1st. [MCA 20-4-401](#)
- ▶ No contract required for Subs working less than 35 consecutive days
 - ▶ Board approved Substitute List



LUNCH?

LUNCH?

LUNCH?

LUNCH?

LUNCH?

LUNCH
BREAK



WELCOME TO
THE TEAM!

ENROLLMENT
PACKETS AND
FIRST PAYROLL

ENROLLMENT PACKETS

Certified Staff

- ▶ [I9 Form](#)
- ▶ [W4](#)
- ▶ [MW4](#)
- ▶ [Montana New Hire](#)
- ▶ ACH/ Direct Deposit Form
- ▶ Health & Life Insurance
- ▶ Dental &/or Vision
- ▶ HSA/Flex/Supplemental Ins.
- ▶ Supplemental Retirement
- ▶ Wellness &/or EAP Programs
- ▶ Handbooks & Policies
- ▶ Job Description
- ▶ [TRS – New Hire Information](#)

Classified Staff – TRS Position

- ▶ [I9 Form](#)
- ▶ [W4](#)
- ▶ [MW4](#)
- ▶ [Montana New Hire](#)
- ▶ ACH/ Direct Deposit Form
- ▶ Health & Life Insurance
- ▶ Dental &/or Vision
- ▶ HSA/Flex/Supplemental Ins.
- ▶ Supplemental Retirement
- ▶ Wellness &/or EAP Programs
- ▶ Handbooks & Policies
- ▶ Job Description
- ▶ [TRS – New Hire Information](#)


ENROLLMENT PACKETS

Classified Staff – MPERA Position

- ▶ I9 Form
- ▶ W4
- ▶ MW4
- ▶ Montana New Hire
- ▶ ACH/ Direct Deposit Form
- ▶ Health & Life Insurance
- ▶ Dental &/or Vision
- ▶ HSA/Flex/Supplemental Ins.
- ▶ Supplemental Retirement
- ▶ Wellness &/or EAP Programs
- ▶ Handbooks & Policies
- ▶ Job Description
- ▶ MPERA – Membership/Beneficiary Form

Classified Staff – Substitutes

- ▶ I9 Form
- ▶ W4
- ▶ MW4
- ▶ Montana New Hire
- ▶ ACH/ Direct Deposit Form
- ▶ Handbooks & Policies
- ▶ Job Description
- ▶ *****
- ▶ MPERA – Optional Election Form Membership/Beneficiary Form
- ▶ TRS – Sub Teacher or part-time TRS position




Even the simplest tools
can empower people to
do great things

Biz Stone

PICTUREQUOTES.COM



PICTUREQUOTES



The simplest way to make an employee
feel connected is to provide them all
tools they need.

The simplest way to make an employee
feel excluded is by neglecting to
include them in team initiatives or fail to
provide them simple tools needed to
complete their job effectively.

ENROLLMENT PACKETS

▶ OTHER CONSIDERATIONS

- ▶ Collective bargaining agreements
 - ▶ Beneficiary information
 - ▶ Emergency contacts
 - ▶ Payroll schedules
 - ▶ Time card submission requirements
 - ▶ Any software applications or logins needed to work effectively
 - ▶ Facility use or other release forms
 - ▶ Technology use agreements
 - ▶ Email addresses and voicemail set-up
 - ▶ Security items- keys, key cards, or personal protective equipment
- ▶ Safety onboarding walkthrough
 - ▶ Safety training logins
 - ▶ Mentorship programs
 - ▶ School calendar and PIR schedules
 - ▶ Staff Directories

COORDINATE WITH YOUR ADMIN TEAM AND TECH SUPPORT TO ENSURE YOUR FIRST IMPRESSION TO YOUR NEW EMPLOYEE IS CLEAR AND ORGANIZED.



Data for Payroll

TELL ME EVERYTHING ABOUT YOU



ACCOUNTING SOFTWARES

- ▶ Discuss with your accounting software customer service folks how/where to enter the following data.
- ▶ Each software imports the data in different screens/manners.
- ▶ Check the [MASBO software user link](#) to find someone who utilizes the same software as you.

PAYROLL SET UP

The Information You Need

The Basics

- ▶ Legal Name
- ▶ DOB & SSN – confirm prior to entering
- ▶ Valid Mailing Address
- ▶ Tax information- State and Federal Deductions and Filing Status, J1 Visa employee
- ▶ Official Start Date
- ▶ Classified vs. Certified Designation
- ▶ Rate of Pay- Salary or Hourly, Payroll Schedule Designation
- ▶ Payroll Election for Certified- 10 month vs 12 month
- ▶ Leave Rates- Did the employee carryover leave accrual rates from another govt.



Social Security

W-4 FEDERAL WITHHOLDING

Step 1 contains the basic information you need to when entering a new employee in your database. (information also available on 19)

- a. Legal name and address
 - a. Legal name = Augustus McRae as it is listed with the social security administration vs. Name on check = Gus MRae
- b. Social Security Number
- c. Filing Status
 - a. Single or Married filing Separately
 - b. Married or Surviving Spouse
 - c. Head of Household

Steps 2, 3, and 4 - Employee will use W-4 schedules to complete. The information needed to complete these steps is known only to the employee. They, or their accountant need to either calculate the information needed in these steps or leave them blank.

Form **W-4**

Employee's Withholding Certificate

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
Give Form W-4 to your employer.
Your withholding is subject to review by the IRS.

2023

Step 1:
Enter Personal Information

| | | |
|---|-----------|---|
| (a) First name and middle initial | Last name | (b) Social security number |
| Address | | Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov . |
| City or town, state, and ZIP code | | |
| (c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.) | | |

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, other details, and privacy.

Step 2:
Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Reserved for future use.

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate

TIP: If you have self-employment income, see page 2.

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

| | | | |
|--|---|------|----|
| Step 3: Claim Dependent and Other Credits | If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 \$ _____ | 3 | \$ |
| | Multiply the number of other dependents by \$500 \$ _____ | | |
| | Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here | | |
| Step 4 (optional): Other Adjustments | (a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income | 4(a) | \$ |
| | (b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here | 4(b) | \$ |
| | (c) Extra withholding. Enter any additional tax you want withheld each pay period | 4(c) | \$ |

Step 5:
Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.)

Date

| | | | |
|-----------------------|-----------------------------|--------------------------|--------------------------------------|
| Employers Only | Employer's name and address | First date of employment | Employer identification number (EIN) |
| | | | |

MW-4 MONTANA EMPLOYEE WITHHOLDINGS

Section 1:

- ▶ The employee calculates how many “exemptions” should be applied to their state tax liability, the number on line G will be entered in your accounting software
- ▶ If an employee wishes to have an additional dollar amount withheld for state taxes, they should enter that amount on line H, this will also be entered in your accounting software

Section 2:

- ▶ Some employees may be exempt from Montana State taxes, if so, they will check the box that applies



Montana Employee's Withholding Allowance and Exemption Certificate

MW-4
V1 11/2018

| | | |
|--|-----------|--------------------------|
| Employee's first name and middle initial | Last name | Social Security Number |
| Current mailing address | | City, state and ZIP code |
| Under penalty of false swearing, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete. | | |
| Employee's signature _____ | | Date _____ |

(This form is not valid unless you sign it.)

Complete Form MW-4 so that your employer can withhold the correct Montana income tax from your pay. See "Employee Instructions" on back of this form before beginning.

Section 1: Montana Allowances

- A. Enter "1" for **yourself** A.
- B. Enter "1" if you have only one job B.
- C. Enter "1" for your **spouse** if you expect to file as **married filing jointly** on your Montana tax return. But, you may choose to enter "-0-" if you have a working spouse. (Entering "-0-" may help you avoid having too little tax withheld.) C.
- D. Enter the number of **dependents** (other than your spouse or yourself) you will claim on your Montana tax return D.
- E. Enter "1" if you will file as **head of household** on your Montana tax return E.
- F. Enter "1" if you expect to report large itemized deductions (medical, child and dependent care, etc.) (Caution: An additional allowance could result in tax due when you file your return.) F.
- G. Add lines A through F and enter the total here. **This is your total number of allowances.** (Note: This number may be different from the number of exemptions you claim on your Montana tax return.) G.
- H. Additional amount, if any, you want withheld from each paycheck or pension and annuity payment. H. \$

Section 2: Exemption from Montana Withholding for Tax Year

You may be entitled to claim an exemption from Montana income tax withholding. If applicable, mark one box below to indicate the reason why you believe you are exempt. See instructions for Section 2 on back of this form for more information.

- a. I am an enrolled member of a registered tribe, I live on the reservation of that tribe, AND I claim exemption from withholding on the wages derived from work performed on the reservation where I live. (*You must also complete Section 1.*)
- b. I am a member of the Reserve or National Guard, and I claim to be exempt from withholding on my compensation determined under USC Title 10. (*You must also complete Section 1.*)
- c. I am a resident of North Dakota, and claim exemption from withholding on my wages.
- d. I am a resident of another state living in Montana solely to be with my spouse, who is a resident of the same state and a member of the U.S. armed forces assigned to a military location in Montana, and I claim exemption from withholding on my wages.

| | | |
|------------------|--------------|------------------------------------|
| Employer name | Employer EIN | Employer MT withholding account ID |
| Employer address | | City, state and ZIP code |

Worker's compensation rates for employees within the district may vary dependent upon duties assigned.

True

0%

False

0%



STANDARD PAYROLL DEDUCTIONS

- ▶ Federal withholding/Social Security/Medicare
- ▶ State withholding- MW4
- ▶ PERS Election or TRS designation (employee or working retiree)
 - ▶ TRS employee- Enter SSN into TRS to confirm if the employee was previously employed in a TRS position.
 - ▶ PERS- add employee record prior to first import if possible.
- ▶ Workers Compensation- be sure to choice correction position designation (custodial vs. clerical)
- ▶ Unemployment
- ▶ Insurance premiums- health, dental and vision

TEACHERS RETIREMENT (TRS)

- ▶ Log into the TRS website as an employer and search for your new employee to check their status:



- ▶ No record? They are brand new and must join if they are going to work at least 210 hours (30 days).
 - ▶ They are a current member? They must continue to participate even if they ask not to.
 - ▶ They might be a “Working Retiree”. If so, there is a form to complete and send to TRS (145) and different contribution rates that apply. Call TRS.
-
- ▶ There are different contribution rates for employees and employers, these can be found on the TRS website.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)

- ▶ Membership/beneficiary designation triggers contributions by both the employee and employer.
- ▶ Current members need to continue membership, even if they ask that contributions not be taken out of their salary.
- ▶ Optional election form: employees scheduled to work less than 960 hours can opt out of PERS.
- ▶ Login into the ERIC (Employer Reporting & Information System) through OKTA

OTHER DEDUCTIONS & WITHHOLDINGS



- ▶ Any Supplemental Retirement choices- 403B, Roth 403, etc.
- ▶ Union Dues
- ▶ Flex, Limited Flex, or HSA enrollments
- ▶ Other Withholdings as Allowed
 - ▶ Garnishments
 - ▶ Life Insurance or Supplemental Insurance Plans- example AFLAC
 - ▶ Payroll slots for other items- example-Horace Mann Insurance

SPECIAL NOTES ON WITHHOLDINGS

- ▶ Most districts allow employees to have pre-tax money withheld for various reasons, most commonly 403-B annuities or supplemental insurance like AFLAC. Usually these withholdings that are **paid pre-tax**.
 - ▶ Get documentation on new withholdings declaring their pre-tax status
 - ▶ The vendor should have documentation
 - ▶ Check Board Policy and/or Collective Bargaining Agreement on other withholdings
 - ▶ Some have a list of allowed annuities and the employee can only use one of them
 - ▶ Some allow any annuity

New withholdings will need to be set up in your accounting software.

INSURANCE FOR THOSE WHO QUALIFY

- ▶ Districts vary as to who they provide benefits for- check your policy manual.
- ▶ Each insurance company has its own unique enrollment form.
- ▶ Some districts have all insurances through one company
- ▶ Some districts have separate coverages through different companies
 - ▶ Health
 - ▶ Dental
 - ▶ Vision
 - ▶ Supplemental Life
- ▶ Each district contributes to employee insurance differently
 - ▶ Some districts contribute a dollar amount that may be applied to all the insurance.
 - ▶ Some districts pay a percentage of the premiums.

INSURANCE CONTINUED:



- ▶ Compare the Insurance registration form with the insurance rate form to determine the district share and the employee share and set up each employee's database/liability accordingly.

- ▶ Multiple insurances might be lumped into one liability line.

or

- ▶ Each insurance might have its own liability line.

ACH AUTHORIZATION (DIRECT DEPOSIT)



- ▶ Every district has its own procedure and form
 - ▶ Consider recent security risks
- ▶ Process a prenote or other validation process prior to 1st payroll if available
- ▶ Information needed:
 - ▶ Account number(s)
 - ▶ Bank routing number(s)
 - ▶ Employee authorization

THE DETAILS MATTER

- ▶ Direct Deposit Information
- ▶ Import Time Cards- If you use TimeClock plus or other systems, be sure to enter the new employee in this software as well
- ▶ Accounting codes- Where does this person's payroll fall within your budget
 - ▶ Exceptions- Is the employee paid with federal funds- then be sure to route benefits from federal dollars as well
 - ▶ ESSA coding- ensure you are listing accounting correctly if the employee works in multiple school systems (buildings or grade splits)
 - ▶ Ensure that your codes match your budget codes so that there are no errors
 - ▶ Best Practice- Print out an accounting code list of all employees and confirm your salary, benefits and deductions are correctly listed. Compare to former payrolls and/or employee records
 - ▶ •Review the [OPI Chart of Accounts](#) on the OPI website
- ▶ Communicate with administration regarding the duties of the new employees before assigning accounting codes. A new employee may have different duties and need different codes than their predecessor

SEID Number

- ▶ State Educator Identification number
- ▶ All school employees need one
 - ▶ Certified Teachers/Principals/Superintendents are assigned SEID number on their teaching certificates.
 - ▶ Non-teachers need to have the SEID number created on the [Teach Montana site](#).
 - ▶ This number needs to be entered in your accounting software
 - ▶ Not having this won't stop you from processing their payroll
 - ▶ Needed for TEAMS reports and Compensation Expenditure Report



PRINT CHECKS &/or SUBMIT ELECTRONIC TRANSFERS

- ▶ Know your bank and Treasurer's Office deadlines
- ▶ Consider Pre-Notes prior to electronic transfers
- ▶ Track any checks that misprinted for audit records
- ▶ Use your reports to ensure you are balanced prior to sending reports
- ▶ Note any issues that need to be addressed in future months





And now the real fun begins..... Submitting Payroll Reports & Payments

- ▶ Monthly
- ▶ Quarterly
- ▶ Annually

▶ Financial Year Quarter

- ▶ Q1 June, July, August
- ▶ Q2 Sept, Oct, November
- ▶ Q3 Dec, Jan, March
- ▶ Q4 April, May June

Calendar Year Quarter

- Q1 Jan, Feb, March
- Q2 April, May, June
- Q3 July, Aug, Sept
- Q4 Oct, Nov, Dec

MONTHLY CONTRIBUTIONS

- ▶ Fed Tax- Electronic Federal Tax Payment System ([EFTPS](#))
 - ▶ Know your tax deposit schedule
 - ▶ Deposits include Federal withholdings, Social Security, and Medicare
- ▶ State Tax
 - ▶ [TAP](#) or a paper check
- ▶ Health Insurance, Dental, Vision, Life
- ▶ Union Dues
- ▶ TRS/PERS
- ▶ Supplemental Retirement
- ▶ Other- Auto insurance, deductions to multiple bank accounts, garnishments, child support, tax withholdings, etc.

MONTHLY CONTRIBUTIONS (continued)

▶ HSA-

- ▶ Employee owned
- ▶ Funds roll over from year to year and can be transferred
- ▶ 2023 individual limit
 - ▶ \$3850 under age 55
 - ▶ \$4850 55 and over
- ▶ 2023 family limit
 - ▶ \$7750 under age 55
 - ▶ \$8780 55 and over
- ▶ Limited to those with a high deductible health insurance plan

▶ Flex –

- ▶ Employer owned
- ▶ Depending on plan funds maybe use or lose and are not transferred if you sever employment
- ▶ 2023 limit \$3050 for individual
- ▶ Open to all individuals
- ▶ More flexible, can be used for childcare



QUARTERLY REPORTING

- ▶ 941- paper submittal with Schedule B
- ▶ Worker's Compensation- purchased through a private provider, MSGIA, or the State of Montana
 - ▶ Collect Independent Contractor Exemption Certificate (ICEC) or proof of insurance from all contracted service providers.
- ▶ Unemployment- State of Montana or Montana State Unemployment Insurance Program
- ▶ Both Work Comp and Unemployment rates may be adjusted annually and may be subject to additional audits

YEARLY REPORTS

- ▶ Check with your software provider for seasonal trainings and guidance
- ▶ W2's
 - ▶ Due to employees by January 31st
 - ▶ Balance with Quarterly reports
 - ▶ Be sure items on W2 are identified properly
 - ▶ Submitted electronically through the [Business Service Online](#) (BSO) portal of Social Security
 - ▶ Do not hesitate to obtain enrollment, the process takes several weeks
- ▶ W3- submitted electronically at BSO portal
- ▶ 1099
 - ▶ non-incorporated individual, partnership, or business (independent contractor) for payment of services rendered for \$600 or more
 - ▶ submitted to IRS through [FIRE](#) portal
- ▶ MW3- Montana TAP website: 1099 and W2 data

YEARLY REPORTS (cont)



▶ Affordable Care Act

▶ **1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns**

- ▶ Must be submitted electronically if more than 250 employees
- ▶ Submitted to the IRS

▶ **1095-C Employer-Provided Health Insurance Offer and Coverage**

- ▶ Required for each fulltime employee
- ▶ Submitted to the IRS and to the employee
- ▶ Both are due by February 28th if filing by paper and March 31st if filing electronically
- ▶ Fines for not filing correctly



BREAK TIME



LEAVE
TYPES

LEAVE TYPES

CERTIFIED STAFF

- ▶ Certified leave is directed by the collective bargaining agreement or set by an agreement with the Board
- ▶ Usually front loaded at beginning of year and can be used immediately

CLASSIFIED STAFF

- ▶ Directed by state law
- ▶ Accrual based on years of employment 2-18-612, 2-18-618
- ▶ Probationary periods 2-18-611, 2-18-618
- ▶ Not front loaded. Leave usage depends on school policy and/or contracts

*****Refer to your collective bargaining units and contracts*****

LEAVE TYPES

SUPERINTENDENT LEAVE

- ▶ Falls under state law and is accrued
- ▶ Can have additional days added per contract
 - ▶ personal days
 - ▶ flex days
 - ▶ extra holidays

PRINCIPALS LEAVE

- ▶ Usually follows certified collective bargaining- should be noted in contract
- ▶ Can have additional days added per contract

BUSINESS MANAGERS/DISTRICT CLERKS

- ▶ Falls under state law and is accrued
- ▶ Can have additional days added per contract
 - ▶ personal days
 - ▶ flex days
 - ▶ extra holidays



I'M ON
VACATION

ADDITIONAL LEAVE TYPES

- ▶ Bereavement
- ▶ Extended Leave of Absence
- ▶ [FMLA \(Family Medical Leave\)](#)
- ▶ Jury Duty
- ▶ Leave Without Pay
- ▶ Maternity/Paternity
- ▶ [Military](#)

- ▶ Check your policies for specifics

Which of the following is not a required leave type for Montana Public schools

Vacation or Personal Leave

0%

FMLA Leave

0%

Sick Leave

0%

Bereavement Leave

0%

Military Leave

0%

SEE MORE 



BEREAVEMENT LEAVE

- ▶ Paid or unpaid bereavement leave, or any time off to attend an immediate family member's funeral.
- ▶ Montana employers is not required to provide bereavement leave. An employer is not legally required to provide any.
- ▶ Check your school policy and Collective Bargaining Agreements for any provisions your District may provide it's employees.

JURY DUTY

MT STATE EMPLOYEE GUIDELINES

- ▶ When properly subpoenaed or summoned, employees have two choices.
 - ▶ use accrued annual leave or compensatory time;
 - ▶ or receive regular pay and benefits while on approved jury duty or witness leave.
- ▶ Employees must notify agency management of their choice at the time they request the leave.
 - ▶ Employees who choose to use accrued paid leave may keep all payments and allowances provided to them for their service as a juror or witness.
 - ▶ Employees who choose to receive regular pay and benefits will be paid for their regularly scheduled hours.
- ▶ Employees will not receive payment for hours served outside their regular work schedule.
- ▶ Employees receiving regular pay must forward all payments and allowances received for their service as a juror or witness to the agency's payroll clerk within three days of receipt. Employees who serve as jurors may submit a claim for expenses.

JURY DUTY

MT STATE EMPLOYEE GUIDELINES

- ▶ Employees who serve as witnesses may submit a claim for expenses if the appearance was for work related reasons.
- ▶ If employees receive payment from the court or a third party reimbursing them for the same expenses, they must return any dual payments to their agency.
- ▶ Employees who use their personal vehicle and receive a mileage allowance from the court may keep the funds.
- ▶ Employees granted leave to serve as a juror or as a witness must return to their next regularly scheduled shift upon release from duty. If the shift is in progress at the time of release, they must make a reasonable attempt to return to work immediately or arrange with their supervisor to return at a later specified time.

*****This is just a sample of guidelines and schools are not required to use this method.*****

FAMILY MEDICAL LEAVE ACT

- ▶ Schools are required to provide FMLA even if you employ less than 50 people
- ▶ Employee Eligibility
 - ▶ Employed by covered employer
 - ▶ Worked at least 12 months
 - ▶ Have at least 1,250 hours of service during the 12 months before leave begins
 - ▶ Works at a location where the employer has at least 50 employees within 75 miles.
- ▶ Leave Reasons
 - ▶ For the birth or placement of a child for adoption or foster care
 - ▶ To care for a spouse, son, daughter, or parent with a serious health condition
 - ▶ For their own serious health condition
 - ▶ Military Family Leave

FMLA Continued

▶ QUALIFYING FAMILY MEMBERS

- **Parent** - A biological, adoptive, step or foster father or mother, or someone who stood *in loco parentis* to the employee when the employee was a son or daughter. Parent for FMLA purposes does not include in-laws.
- **Spouse** - A husband or wife as defined or recognized in the state where the employee was married and includes individuals in a same-sex marriage or common law marriage.
- **Son or Daughter** - *For leave other than military family leave*, a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis* who is either under 18 years of age, or 18 or older and incapable of self-care because of a mental or physical disability.

FMLA Continued

AMOUNT OF LEAVE

- ▶ Employee's workweek is basis for entitlement
- ▶ Eligible employees may take up to **12 workweeks*** of FMLA leave:
 - ▶ for the birth or placement of a child for adoption or foster care;
 - ▶ to care for a spouse, son, daughter, or parent with a serious health condition; and
 - ▶ for the employee's own serious health condition.

INTERMITTENT LEAVE

- ▶ Employee is entitled to take intermittent or reduced schedule leave for:
 - ▶ Employee's or qualifying family member's serious health condition when the leave is medically necessary
 - ▶ Covered servicemember's serious injury or illness when the leave is medically necessary
 - ▶ A qualifying exigency arising out of a military member's covered active duty status

Leave to bond with a child after the birth or placement must be taken as a continuous block of leave unless the employer agrees to allow intermittent or reduced schedule leave

LEAVE FORM LINKS



- ▶ FMLA to-do list:
- ▶ Post DOL [FMLA poster](#) and give FMLA-eligible employees a written notice that contains the same information given by the poster.
- ▶ Maintain and enforce call-in procedures.
- ▶ Document, document, document! See page 66 of the [Employer's Guide to the Family Medical Leave Act](#) for a list of what employers should record.
- ▶ Communicate! Check in with employees before, throughout and after their leave.
- ▶ [FMLA Form Links](#)
- ▶ Contact MTSBA or legal for more information.



SPECIAL PAYROLL CIRCUMSTANCES

MULTIPLE POSITIONS

- ▶ Teacher is also a bus driver!!
 - ▶ Will have two employee maintenance files
 - ▶ Will accrue leave as a bus driver and front load leave as a teacher
 - ▶ Will be reported under two work compensation classifications
 - ▶ May be reported to both retirement systems – MPERA could be an optional position and may or may not be reported



Overtime Example with Different Pay

One week an employee works 36 hours entering data into the computer data base for which \$7.60 per hour is paid. The employee then spends 6 hours preparing payroll for which \$8 per hour is paid. This same worker performs janitorial services in the evenings for the employer and is paid \$6 per hour for those 4 hours worked per week.

- ▶ 36 hours x \$7.60 per hour = \$273.60
- ▶ 6 hours x \$8.00 per hour = \$ 48.00
- ▶ 4 hours x \$6.00 per hour = \$ 24.00
- ▶ 46 hrs worked = \$345.60 regular earnings
- ▶ $\$345.60 \div 46 \text{ hrs} = \text{regular rate} = \7.51 per hr
- ▶ $\$7.51 \div 2 = \frac{1}{2} \text{ time rate} = \3.76 per hour
- ▶ $\$3.76 \times 6 \text{ overtime hrs} = \$22.56 \text{ ot earnings}$
- ▶ **$\$345.60 + \$22.56 = \$368.16 \text{ total due}$**

STIPENDS



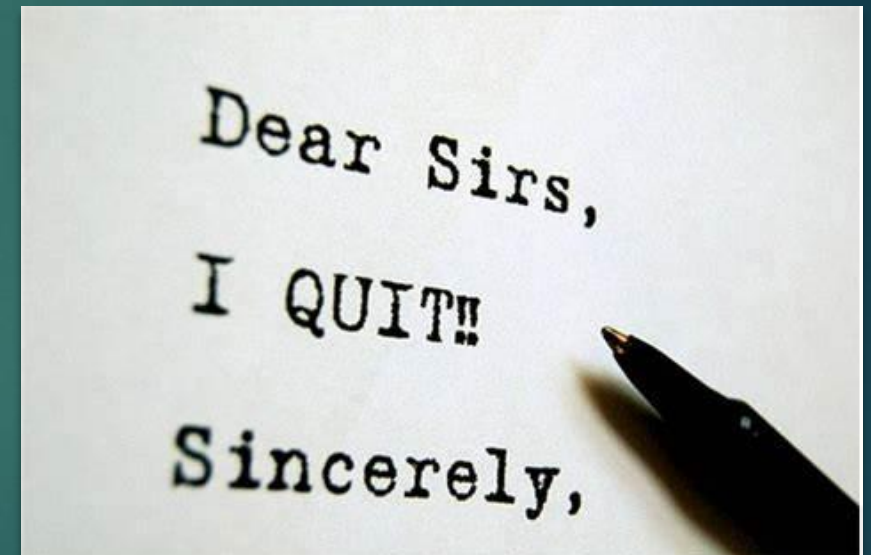
- ▶ Stipends such as travel stipends are taxable wages for purposes of FICA, federal taxes and state taxes
- ▶ Notes for Classified Staff:
 - ▶ Paid at least minimum wage for the hours worked for the stipend
 - ▶ Paid overtime if the hours worked for the regular job and the stipend exceed 40 in one work week
 - ▶ If overtime is earned, an hourly rate must be determined for the stipend and overtime pay calculation



WHAT ARE
UNIQUE
SITUATIONS
YOU FACE?

TERMINATION PAY

- ▶ When to Pay
 - ▶ Check your policy: maximum date for final pay – either next regular pay day or 15 calendar days from separation, whichever is earlier
 - ▶ If no policy, employee should be paid immediately
- ▶ 25% of accrued sick leave
- ▶ 100% of accrued vacation leave
- ▶ Severance paid based on Collective Bargaining or Board Policy
- ▶ COBRA- contact health insurance and FLEX provider
- ▶ TRS/PERS- each retirement program has different standards. See provider website for more information. Resignation vs retirement needs to be noted for accurate payout calculations.





RECORD ORGANIZATION & RETAINMENT

DIFFERENT FILING REQUIREMENTS

- ▶ Each Employee May Have 3 Main Files

- ▶ Personnel File
- ▶ Payroll File
- ▶ Medical File

- ▶ Separate Files Will Also be Needed for:

- ▶ I9's
- ▶ Health, Vision, Dental Ins.
- ▶ Background Check Determination



- ▶ Files Should Have Restricted Access

- ▶ Restricted Access Includes Electronic Files- Security Considerations

- ▶ Files may will contain Birth Date and other information, allowing for the possibility of age discrimination claims. Federal law for age discrimination pertains to age 40 and older, but Montana law has no limit on age discrimination.

PERSONNEL FILES

- ▶ Initial Application and Accompanying Documents
- ▶ Recruitment and Screen Documents- Interview Question, Panel Notes, Background check completion (NOT the Background Check!)
- ▶ Letter of Hire
- ▶ Contract
- ▶ Job Description
- ▶ Copy of Board Minutes Noting Approval
- ▶ Transcripts
- ▶ Licensure
- ▶ Training Records
- ▶ Acknowledgement of Receipt of Handbooks & Policies
- ▶ Release Forms- company car use, technology use etc.
- ▶ Evaluations, Awards, or Plans of Improvement
- ▶ Disciplinary Action- no closed session
- ▶ Position Changes
- ▶ Termination Documentation
- ▶ Exit Interview Information
- ▶ NO MEDICAL RECORDS

PAYROLL FILE

- ▶ Employee Name and Address
- ▶ Employee DOB and Social Security Number
- ▶ Employee Occupation
- ▶ Offer letter and/or Contract
- ▶ Pay Authorization
- ▶ Form I-9, Employment Eligibility Verification*** Can be kept separate in a binder with other employee forms.
- ▶ Form W-2, Wage and Tax Statements
- ▶ Form W-4, Employee's Withholding Certificate
- ▶ MW-4
- ▶ Payroll Deductions (no health docs)
- ▶ Direct Deposit Authorization Form
- ▶ Salaried Time Accounting Forms
- ▶ Timesheets or Time Clock Records
- ▶ Time Off and Attendance Records
- ▶ Expense Reimbursement Requests and Receipts
- ▶ Garnishment Orders and Records
- ▶ Any Authorization for Release of Private Information- mortgage verifications
- ▶ Documentation and Justification for Pay Raises
- ▶ Bonuses, Stipends and/or Award Paperwork

MEDICAL FILES



- ▶ Personal medical information
- ▶ Medical leave of absence requests
- ▶ Family and Medical Leave Act Paperwork
- ▶ Reasonable accommodations
- ▶ Doctor's notes
- ▶ Accident reports
- ▶ Workers' compensation claims
- ▶ Health insurance forms
- ▶ Beneficiary information
- ▶ Emergency contacts
- ▶ Notice from employees who self-identify as an individual with a disability under [Section 503 of the Rehabilitation Act](#) must keep these self-identification forms separate from all other records, including other medical records.

SPECIAL CIRCUMSTANCES

The Following Items Should Not Be Included In ANY of the Prior Files Discussed.

- ▶ Background Checks
- ▶ Immigration Status
- ▶ Closed Meeting Documents
- ▶ Litigation Documents
- ▶ Drug Test Results
- ▶ Health Insurance Documents
 - ▶ Dental
 - ▶ Vision
 - ▶ FSA
 - ▶ HSA



Retention Schedule

- ▶ [Montana Record Retention Schedule- Schools](#)
- ▶ This document will guide you with all law regarding retention requirements'

PAYROLL RETENTION HIGHLIGHTS

- ▶ 1 YEAR, destroy
 - ▶ Retirement list
- ▶ 2 YEARS, destroy
 - ▶ List of Bus Drivers
- ▶ 3 YEARS, destroy
 - ▶ Application (not hired)
- ▶ 8 YEARS, destroy
 - ▶ Canceled Payroll Warrants
 - ▶ Benefit Enrollments
 - ▶ Deductions and corresponding reports
 - ▶ Time Cards
- ▶ Leave Requests
- ▶ W2's
- ▶ Applications (hired), kept 8 years after retirement
- ▶ 10 YEARS, destroy
 - ▶ Evaluations, 10 years past retirement
 - ▶ Grievance Files, work years + 10
 - ▶ Personnel Files- 10 years past retirement
- ▶ PERMANENT
 - ▶ Wage/Salary history
 - ▶ Negotiation Minutes
 - ▶ Labor Union Disputes
 - ▶ Teaching Certificates

Audit Preparation

- ▶ Compensated Absences Calculations
- ▶ Approved Collective Bargaining Agreement, Salary Schedules or Minutes approving wage rates
- ▶ Monthly or Quarterly PERS, TRS, Work Comp, Unemployment, 941 and W2 reports
- ▶ Payroll Registers
- ▶ Time Cards

Ensuring you have payroll records organized will help you get through your Audit successfully

MASBO TRAINING DAY 2

▶ **THURSDAY, FEBRUARY 23RD**

▶ **WEBINAR ONLY**

▶ **BEGINS AT 8:30 AM**

| | |
|----------------|--|
| ▶ 8:30 to 9:30 | PERS - Enrollment and Final Payouts |
| 9:40 to 10:40 | TRS - Enrollments and Final Payouts |
| 10:50 to 11:50 | MSGIA - Workers Compensation |
| 1:00 to 2:00 | MTSUIP - Unemployment |
| 2:10 to 3:10 | K12 Montana Inc - Payroll Security |

▶ **ITS NOT TOO LATE TO JOIN US. SIGN-UP IF YOU HAVEN'T DONE SO ALREADY!**



Join Us for Other Future Trainings

- ▶ [MTSBA Budget Symposium- March 7, 21 & 28](#)
- ▶ [Region 1 Spring Workshop April 3](#)
- ▶ [Region 2 Spring Workshop April 4](#)
- ▶ [Region 3 Spring Workshop April 13](#)
- ▶ [Region 4 Spring Workshop March 31](#)
- ▶ [Region 5 Spring Workshop April 5](#)
- ▶ [Region 6 Spring Workshop April 13](#)
- ▶ [Summer Conference- June 12-16](#)



THANK YOU TO OUR PARTNERS & ASSOCIATES

- ▶ **MTSBA - ANDY SEVER FOR PROVIDING TECH SUPPORT & MEETING SPACE**
- ▶ **MTSUIP**
- ▶ **MSGIA**
- ▶ **K-12 MONTANA INC**
- ▶ **TRS**
- ▶ **PERS**





Thank you
for joining
us!