



Policy Name:	University Payroll Policy
Policy Number:	FAST-206
Revision Date:	May 2024
Policies Superseded:	1280; HREO-400; FINA 800
Policy Management Area(s):	Finance and Administration

SUMMARY:

This document sets forth the Coastal Carolina University policy for payroll. The following policy excludes individuals participating in an Employer of Record program.

POLICY:

I. DEFINITIONS

- A. Biweekly pay cycle – A payroll cycle covering 2 work weeks paid every other Friday.
- B. Exempt employees – An employee who is exempt from minimum wage and overtime pay based on FLSA regulations.
- C. Fair Labor Standards Act (FLSA) - A federal law which establishes minimum wage, overtime pay eligibility, recordkeeping, and child labor standards affecting employees in the private sector and in Federal, State, and local governments.
- D. Non-exempt employees – An employee who is entitled to minimum wage and overtime pay based on FLSA regulations.
- E. Nonresident Aliens - A classification assigned to a non-U.S. citizen, or foreign national, who has not passed the green card test or the substantial presence test.
- F. Semi-monthly pay cycle – A payroll cycle with 24 installments paid on the 15th and the last day of each month. If the 15th or the last day of the month falls on a weekend or bank holiday, then the disbursement date will be the Friday prior to the weekend or the business day prior to the holiday.
- G. Employer of Record (EOR) – A third party provider who employs individuals rendering service to the University and is responsible for the payment of wages, as well as, the deduction and remittance of benefits and taxes. Typically, an EOR is

used for an out of state person providing a service to the University remotely in situations where the University is unable to comply with the state and local employment laws of that region. The EOR will be responsible for setting payroll policy for employees participating in that program.

II. PAYROLL FREQUENCY

The Payroll Office publishes the schedule of payroll disbursement dates on the departmental website. The schedule includes deadlines for time/leave entry cut-offs as well as deadlines for submitting paperwork to the Office of Human Resources and Equal Opportunity (HREO) and to the Payroll Office.

A. Semi-Monthly Pay Cycle

Faculty and Exempt employees are typically paid on the semi-monthly pay cycle. Faculty with a base appointment of nine months are paid on the semi-monthly pay cycle. The first installment pay date is September 15th and the last installment pay date is made on August 31st of the following year.

B. Biweekly Pay Cycle

Nonexempt employees (including students and temporary employees) are paid at an hourly rate on a bi-weekly pay cycle. Full time nonexempt employees are required to work or use paid leave for 37.5 hours each week to be paid the budgeted salary amount.

III. PAYROLL AUTHORIZATIONS

The Payroll Office processes payments to employees based on documentation received from HREO, which was previously authorized by the hiring department and President or designee. All employees must furnish a copy of a social security card in order to work as a University employee. Additionally, Section One of the I-9 Form must be completed by the employee on or before the first day of work.

A. Direct Deposit

Employees are required to receive their payroll disbursements by direct deposit. Employees utilize Employee Self Service to enroll and manage their Banking Information for direct deposit.

B. Time/Leave Entry

All employees are responsible for entering their time/leave in an accurate manner on a daily basis. Time/leave entries must be submitted to the Payroll Office at the end of each week in accordance with cut-offs provided on the pay schedules. Failure to complete and submit time/leave for a particular week or weeks may result in inaccurate or incomplete payments to employees. Time/leave entry corrections are to be reported to

Payroll and will be corrected on the following pay date subsequent to the pay period in which the error was discovered.

IV. DEDUCTIONS FROM PAY

The University requires or allows certain items to be withheld from employee pay. The University will also comply with deductions mandated by levy and/or court order. These items include, but are not limited to:

A. Mandatory

1. Federal Income Tax

Federal income taxes will be withheld on the basis of the W-4 form filed with the Payroll Office, with the exception of some cases involving non-resident aliens. If an employee fails to provide a properly completed Form W-4, federal income tax must be withheld from wages as if status is single or married filing separately with no other entries on step 2, 3, or 4 of the Form W-4. In the event an employee elects to be exempt from federal withholding on the W-4, the exemption is in effect for the calendar year in which it was submitted to Payroll and must be renewed (prior to February 15th) in each succeeding year.

2. South Carolina Income Tax

South Carolina tax will be withheld for employees working in SC on the basis of the SC W-4 filed with the Payroll Office. In the event a SC W-4 is not completed, SC tax will be withheld as if the number of allowances for SC withholding purpose is zero. If an employee claimed exemption from SC withholding the exemption will expire at the end of the calendar year and a new SC W-4 needs to be submitted by February 15th of the subsequent calendar year if the conditions are met.

3. Other State Income Tax and required deductions

Employees working outside of South Carolina will have State Income Tax withheld for the State in which the work is being performed as well as any other County, City, Local, or other taxes as required in that State.

4. FICA Taxes

FICA tax is comprised of two parts: Social Security and Medicare. Social Security is withheld at a rate of 6.20% up to the established taxable limit each year. The taxable base limit for social security for the current calendar year. Medicare is withheld at a rate of 1.45% on all taxable wages and 2.35% on taxable wages over a \$200,000, or the threshold set by the IRS for the current calendar. All current rates and limitations may be found on the social security website. These taxes must be withheld from wages paid to all employees with the exception of wages paid to:

- a. Students employed while enrolled in classes at Coastal Carolina University, as described in STUD- 338 Student FICA Tax Exemption, and
- b. Certain non-resident aliens.

5. Non-Resident Alien Withholdings

A non-resident alien is temporarily present in the United States through the issuance of a visa and may be subject to tax withholdings in addition to the regular tax withholding rates. The Payroll Office will obtain the needed information to ascertain the individual's tax status and will complete all necessary forms to support the tax status. Tax liability may be contingent upon the existence of a treaty between the individual's country of tax residency and the United States. The Payroll Office will ensure that the appropriate tax is withheld.

6. Federal and State Tax Liens

In cases where the Internal Revenue Service, South Carolina Department of Revenue, or South Carolina Department of Employment and Workforce has levied an employee's wages, the Payroll Office is required to withhold in accordance with terms set forth in the levy document until otherwise notified by the agency issuing the levy. The IRS and South Carolina are obligated to furnish the employee a copy of the levy.

7. Family Court Orders

If the University receives an official Income Withholding For Support or court order stipulating an amount to withhold from an employee's pay, such deductions will be taken until the order is rescinded. Withheld amounts will be remitted per the Order.

B. Optional

1. South Carolina Retirement System, Police Officers Retirement System, or Optional Retirement Program

Retirement contributions at the State published rate are withheld from employee wages except from:

- a. Bonus payments.
- b. Annual leave payouts for employees enrolled after July 1, 2012.
- c. Student employee wages or wages from other non-covered positions
- d. Wages of employees who are eligible to opt out of participation by statute and made a timely election to opt out of participation.

2. Supplemental Retirement Plans

Employees may elect deferrals to a qualified supplemental retirement plan separate from the South Carolina Retirement Plans.

3. Voluntary Deductions

Employees may authorize voluntary deductions to be taken from their pay. Please refer to the Payroll website for information regarding these deductions.