

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:

Lead Agency: County Management
Program Contact: Susie Cameron

Program Characteristics:

Executive Summary

Central Payroll is responsible for paying the employees of Multnomah County, ensuring compliance with Federal, State, and local wage and hour laws, withholding and remitting employment taxes and other deductions, issuing wage and tax reporting statements and administering the pension and deferred compensation programs.

Program Description

Payroll produces 24 payrolls per year for regular and on-call employees and produces final and correction checks as needed. Payroll is responsible for withholding, reporting, and remitting employment taxes to Federal, State and Local taxing authorities; for reporting and remitting pension contributions to the Public Employees Retirement System, and for administering the County's IRC §457 deferred compensation program. Payroll maintains employee data for accurate reporting of the above programs. Payroll processes, reconciles and remits mandated deductions for creditor garnishments, child support, bankruptcies, tax levies, and union dues. Payroll maintains employee information for the direct deposit program, the pension plans, the deferred comp program and enters leave adjustments for the catastrophic leave program. Payroll is responsible for accurate processing and reconciling of wage and tax statements (W2's and 1099's) and corresponding federal and state reports.

Program Justification

Payroll ensures that payroll expenditures are in compliance with Federal and State wage and hour laws, labor contracts, and County Administrative guidelines. Payroll protects County funds by ensuring that employment taxes, wage and tax statements, and pension payments are processed and remitted timely to avoid assessment of fines for non-compliance. The pension plan is a key benefit to employees and helps attract and retain qualified personnel. Payroll provides consultation to the departments on payroll best practices. The unit does regular auditing of time and attendance records to ensure compliance with employment contracts and wage and hour laws.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Average number of payments issued per period.	6,617	6,600	6,800	6,800
Outcome	Percent issued without errors.	99.0%	99.0%	99.0%	99.0%
Output	Percent of employees participating in Deferred Comp program	47.5%	39.0%	48.0%	39.0%
Quality	Average deferred comp account balance	38,593	57,500	39,000	42,000

Performance Measure - Description

 **Measure Changed**

Output: Number of payments per pay period exceeds number of employees due to many employees having multiple direct deposits.

Output: The percent of employees participating in the deferred comp plan will measure the effectiveness and quality of the educational opportunities offered. The national average for participation is 29%. The national average account balance is \$9,500. The average account balance and participation rate are measures of the quality of the investment options and overall attractiveness of the plan as a voluntary employee benefit. Account balances and participation rate are expected to decline due to financial markets and reduction in employee workforce.

Previous measure was number of timekeeper trainings. Trainings have been eliminated due to increased workload and staffing cuts.

Legal/Contractual Obligation

Wage payments are mandated by Federal & State wage and hour laws and by 10 union contracts. Withholding and remitting employment taxes is mandated by the Internal Revenue Service. Pension contributions are mandated by union contracts and the Oregon Revised Statutes. Failure to comply to the above laws and regulations could result in the County being assessed penalties and fines.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2009	2009	2010	2010
Personnel	\$695,168	\$0	\$677,949	\$0
Contracts	\$10,100	\$0	\$10,100	\$0
Materials & Supplies	\$15,125	\$0	\$13,785	\$0
Internal Services	\$101,820	\$0	\$135,593	\$0
Subtotal: Direct Exps:	\$822,213	\$0	\$837,427	\$0
Administration	\$29,238	\$6,919	\$240,291	\$0
Program Support	\$19,430	\$0	\$15,701	\$0
Subtotal: Other Exps:	\$48,668	\$6,919	\$255,992	\$0
Total GF/non-GF:	\$870,881	\$6,919	\$1,093,419	\$0
Program Total:	\$877,800		\$1,093,419	
Program FTE	7.97	0.00	7.42	0.00
Program Revenues				
Other / Miscellaneous	\$88,500	\$0	\$100,000	\$0
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$88,500	\$0	\$100,000	\$0

Explanation of Revenues

Significant Program Changes

✔ Significantly Changed

Last year this program was: #72011, Payroll

#72011 Payroll and 72012 Deferred comp. Programs have been combined into one program offer.

This program offer differs from last year by eliminating a .5 fte Office Assistant 2 and the downgrade of a 1.0 fte position from a Finance Supervisor to a Finance Specialist 1. Payroll will no longer be able to process voluntary payroll deductions such as charitable giving and US Savings Bonds. Payroll will no longer provide quarterly timekeeper trainings. Training of new timekeepers will revert to the Departments. To meet budget constraint, one supervisory position is being reduced to a staff level. The incumbent will likely transfer which will result in a decrease of institutional knowledge for processing 1099 tax statements, thereby putting the County at risk for reporting errors which would result in fines. Front counter coverage will be reduced by 1/3, which will mean that employees will be able to receive payroll service on a limited basis. Requests for information such as employment verifications will be processed on a semi-monthly basis instead of a 48 hr turn-a-round.