



Payroll Deductions during Leave without Pay

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| Policy Sub Area: Payroll | Last Revision Date: NA |
| Authority: Office of State Human Resources Manual, Section 5, Page 66 - 73 | Policy Owner/Division: HR/PAYROLL |

Policy

All State entities shall comply with all applicable laws and regulations governing processing payroll deductions during a leave without pay period.

The Office of the State Human Resources governs the State's policy on Leave without Pay (LWOP): <http://oshr.nc.gov/policies-forms/leave/leave-without-pay>

Each university, community college, or agency payroll system has its own procedures for handling voluntary and involuntary deductions during a leave without pay period.

Recording Leave in NC HR/Payroll System

For those agencies utilizing the NC HR/Payroll System, agency human resource staffs enter a Leave of Absence action. A leave of absence may be with or without pay. When the leave of absence is without pay, the employee is still responsible for paying State Health Plan premiums through the payroll system.

If the employee works through the 15th of the calendar month when first going on LWOP, the payroll system automatically collects the agency health insurance premium for the following month's coverage. An employee on leave without pay who wants to continue on the State Health Plan must submit the appropriate premium cost to BEST Shared Services. The full payment must be received at BEST Shared Services no later than the 15th of the month for the next month's coverage. An employee's health insurance will be cancelled automatically if he or she fails to make timely payment to BEST Shared Services.

BEST Shared Services delimits deductions for NCFLEX insurance plans for employees on a leave of absence without pay. This also includes employees receiving benefit payments from short term disability or worker's comp. Employees that want to continue their NCFlex plans must pay the vendors directly for the period of LWOP.

Employees on LWOP should also pay child support, garnishments, and other involuntary deductions directly to the vendor or creditor. These deductions do not catch up when the employees comes back to a paid status. Voluntary deductions such as agency specific insurance plans and employee association dues will catch up in the payroll system when the employee comes back to a paid status.

A job aid is available that summarizes the various requirements for Leave of Absence actions.
http://www.osc.nc.gov/training/osctd/help/Personnel%20Administration/job_aids.html
Select the LOA Requirements title to open a spreadsheet. Each tab of the spreadsheet describes a unique type of leave of absence action.

Procedures

Accounting Guidance

None noted.

Related Documents (Memos/Forms)

Office of State Human Resources Policies
<http://oshr.nc.gov/policies-forms/leave/leave-without-pay>

Revision History

| Date | Version | Revision Description | Initials |
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