

**Department:** County Management      **Program Contact:** Susie Cameron

**Program Offer Type:** Existing Operating Program      **Program Offer Stage:** As Proposed

**Related Programs:**
**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 Summary**

Central Payroll produces 24 payrolls per year for all Multnomah County employees and is responsible for:

- Accurately withholding, reporting and remitting employment taxes to Federal, State and Local taxing authorities;
- Reporting and remitting pension contributions to the Public Employees Retirement System;
- Administering the County's IRC §457 deferred compensation program;
- Ensuring that timekeeping and wage payments are done in compliance with Federal and State wage and hour laws, labor contracts and County Administrative guidelines.
- Reconciling and remitting mandated deductions for creditor garnishments, child support, bankruptcies, tax levies and union dues.
- Reconciling and producing year-end tax statements for employees (W2's) and vendors (1099's) of Multnomah County following strict federal and state regulations.

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 noncompliance. This program contributes to the Climate Action Plan, Local Government Operations section, item 18-8 related to reduction of waste by providing electronic disbursements of wages to employees' financial institutions and providing paperless notification of their deposits. Currently 97% of employees participate in direct deposit of funds and of those, 92% receive the notification of deposit via email.

**Performance Measures**

Measure Type	Primary Measure	FY13 Actual	FY14 Purchased	FY14 Estimate	FY15 Offer
Output	Average number of payments issued per period*	6698	6700	6665	6700
Outcome	Percent issued without error*	99%	99%	99%	99%
Output	Percent of employees participating in Deferred Comp**	48%	50%	48%	50%

**Performance Measures Descriptions**

Output/Outcome\*Number of payments per pay period exceeds number of employees due to many employees having multiple direct deposits. Payroll has consistently maintained a high level of accuracy (99%).

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%.

## Legal / Contractual Obligation

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

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2014	2014	2015	2015
Personnel	\$795,295	\$0	\$802,801	\$0
Contractual Services	\$25,675	\$0	\$23,000	\$0
Materials & Supplies	\$26,204	\$0	\$27,359	\$0
<b>Total GF/non-GF</b>	<b>\$847,174</b>	<b>\$0</b>	<b>\$853,160</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$847,174</b>		<b>\$853,160</b>	
<b>Program FTE</b>	7.95	0.00	7.95	0.00

Program Revenues				
Other / Miscellaneous	\$125,400	\$0	\$128,106	\$0
<b>Total Revenue</b>	<b>\$125,400</b>	<b>\$0</b>	<b>\$128,106</b>	<b>\$0</b>

## Explanation of Revenues

This program is supported by General Fund revenues. External revenues for the deferred compensation program are contractually negotiated with the County's deferred compensation provider through a revenue sharing agreement. All administrative costs associated with the program are paid for through the agreement. The revenue sharing enables the County to offer the program to employees at no cost to the County. The current reimbursement for FY 2015 is \$125,706 and is adjusted each following year by the CPI-U amount. The remaining \$2,400 is miscellaneous revenue.

## Significant Program Changes

**Last Year this program was:** 72007A FRM Payroll/Retirement Svcs

This offer also includes last year's program offer 72007B Payroll/Retirement Service Support.