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Division of Accounts and Reports

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INFORMATIONAL CIRCULAR NO: 97-P-033

DATE: May 20, 1997

SUBJECT: Addition of New Earnings Code

EFFECTIVE DATE: May 18, 1997

A & R CONTACT: Payroll Services, (913) 296-3146

APPROVAL:

SUMMARY: Earnings Codes to Report Holiday Pay or Compensatory Time for Exempt Employees

Effective with the pay period beginning May 18, 1997, two new earnings codes are available for use for exempt employees who are eligible to receive compensation for working on a legal holiday for the state service. These earnings codes have been established to comply with revisions made to Kansas Administrative Regulation (K.A.R.) 1-9-2 which governs holidays.

K.A.R. 1-9-2 now provides that the appointing authority shall make the following determinations for each exempt employee required to work on a holiday:

- 1) under what conditions the employee will be required to work;
- 2) whether or not the employee will receive holiday pay or compensatory time credits in addition to the employee's regular salary; and
- 3) the rate at which any holiday pay or compensatory time credits will be paid.

Agencies may continue to compensate exempt employees using existing holiday pay (HDP/HDL) or holiday compensatory time (HCP/HCL) earnings codes or use one of the two new earnings codes to record either the payment of a flat dollar amount or the accrual of holiday compensatory time for exempt employees only. If an agency elects to continue to use the existing codes, the SHARP system will calculate the amount of the 'HDP'/'HDL' earnings or the 'HCP'/'HCL' compensatory hours based on the hours entered by the agency. If an agency elects to use the new earnings codes, the agency will be required to manually calculate the amount of dollars or compensatory hours the exempt employee is to receive.

The new earnings codes, along with a brief description, are as follows:

HDF (Holiday Pay - Flat Amount): A flat dollar amount determined by each agency to compensate exempt employees who work on a holiday

- ▶ The multiplication factor is 1.0
- ▶ Does **not** count toward leave accrual
- ▶ Does **not** count towards FLSA
- ▶ Payment type is a dollar amount
- ▶ Amount **does** add to gross wages
- ▶ Will appear on the pay check/advice stub under 'Holiday Pay'

HCF (Holiday Comp - Flat Amount): A flat compensatory time amount entered in hours, banked at a straight rate (8 hrs entered in Time Entry Daily = 8 hrs in Leave Accruals - holiday compensatory time balance) determined by each agency to compensate exempt employees who work on a holiday.

- ▶ The multiplication factor is 1.0
- ▶ Does **not** count toward leave accrual
- ▶ Does **not** count toward FLSA
- ▶ Payment type = Hours
- ▶ Does **not** add to gross wages
- ▶ Will appear on the pay check/advice stub under 'Holiday Comp Time'

Agencies should continue to bank the holiday credit (change HDC to HCC) for exempt employees who work on the holiday.

Any questions regarding this circular should be directed to the Payroll Services Team in the Division of Accounts and Reports at (913) 296-3146 or to Brent Smith, Division of Personnel Services, at (913) 296-1432.

JJM:LK:sj