OFFICE OF THE COMPTROLLER
ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
(617) 727-5000
MACOMPTROLLER.ORG

State Employees Policy

Executive Summary

State employees are individuals who are employed in state positions, as authorized by the applicable statute or human resource authority. Compensation for state employees includes regular salary, overtime and other financial benefits authorized in statute, collective bargaining agreements, etc. All Executive Departments are subject to the personnel rules and regulations of the Human Resources Division (HRD) for employment compensation payments. See also HRD's Homepage.

Those Departments not subject to HRD regulations for job classification include the Legislature, Judiciary, State Treasurer, State Auditor, State Secretary, Attorney General, District Attorneys, Sheriffs, Higher Education (a small number of positions are covered), and Independent Commissions and Boards. Each entity's respective enabling statute, collective bargaining agreements, personnel policies, and applicable State and Federal laws govern these employees.

All departments are subject to this policy, and if payroll is funded through an Interdepartmental Service Agreement (ISA). See the CTR Interdepartmental Service Agreements Policy. All state employees are paid within the AA Expenditure Object Class.

Considerations

State Employees:

- Are paid through the Commonwealth's payroll system;
- Are entitled to membership in the state retirement plan;
- Are entitled to membership in the Group Insurance Commission (GIC) sponsored insurance programs;
- Are eligible for fringe benefits, sick, vacation or personal leave; and
- Receive a Form W-2 tax form

Special State Employees:

- Are paid through the Commonwealth's payroll system;
- Are authorized in statute;
- May exercise decision making authority;
- May have limited Fringe Benefits

Policy

Intermittent (per diem), Seasonal, and Post Retirement employees are three categories of State Employees in Departments with different rules concerning leave benefits than their regular part-time and full-time counterparts. Per diem Employees are employees who generally are appointed to serve on special state boards and commissions, and for whom statute provides a moderate fee to be paid to

compensate them for this service. The amount of the fee or the authority to set the fee is usually described in statute; some may also be eligible for reimbursement of expenses related to their function, but these employees are not eligible for leave or other benefits. These employees do not come under the oversight of the Human Resources Division.

Intermittent Employees

Intermittent employees either work less than 50% of the hours in a workweek of a regular full-time employee in the same title, or work less than 50% of a work year of a full-time employee. Intermittent employees are not eligible for paid vacation, personal leave, sick leave, holiday pay or GIC-sponsored insurance. Please refer to the personnel rules and regulations of the Human Resources Division (HRD) for further clarification.

Post-Retirement Employees: 120-Day (960 Hour) Appointments

120-Day Appointments are considered Intermittent Employees, per M.G.L. c. 32 § 91. A post-retirement employee is a person who has been retired and who is receiving a pension, disability pension or retirement allowance from the Commonwealth, or from any county, city, town or district may be employed in the service of the Commonwealth for up to 960 hours in the aggregate in any calendar year. Such person shall serve at the will of the Appointing Authority.

Please refer to the personnel rules and regulations of the Human Resources Division (HRD) for further clarification.

Seasonal Employees

Seasonal employees are employees hired on a seasonal basis whose employment is for a period of ninety (90) consecutive days or more. Their eligibility for benefits is determined through applicable collective bargaining contracts.

All state employees (other than those on leave without pay) are included in the Full-Time Equivalent (FTE) count of Commonwealth staff, depending on the type of authorized state position they occupy.

Hiring Responsibilities

- The Immigration Reform and Control Act of 1986 (IRCA) makes it illegal for an employer to hire an unauthorized worker. Employers must comply with this requirement by verifying the identity and right to work of all employees hired after November 6, 1986. Prior to hiring any individual, employers can protect themselves by obtaining proof of the right to work in the U.S. This proof of right to work is known as Form I-9, Employment Eligibility Verification. This form is available at: http://uscis.gov/graphics/formsfee/forms/i-9.htm
- Check the Social Security Number. Make sure the name matches Social Security Administration records. Correct names and social security numbers (SSN) on Form W-2 wage reports are the keys to successful processing of the Commonwealth's annual wage report submission. Not only can the Commonwealth be subject to penalties when employee names and SSNs don't match Social Security Administration records, but also unmatched wage reports can cause earnings that are not posted to your employees' records. To verify the name and SSN match, call the SSA toll-free number for employers - 1-800-772-6270 provide Social Security Number, Date of Birth and Gender. **The Commonwealth EIN is 04-6002284**.

Always double check to make sure you have entered the SSN correctly into the payroll system.

- Upon hiring or rehiring an individual verify Medicare Status. For Rehires verify that a 'break in service' has not occurred, refer to the CTR Medicare Tax Policy. Validate Income and Medicare taxes are appropriately withheld from wages paid to both state employees and contract employees, in amounts determined by the employees' withholding certificates and governmental withholding tax tables.

Records Management - Payroll Documentation

The following list includes some examples of the types of documentation to be retained for payroll and human resource (HR) purposes. Departments are required to keep all human resource (HR) and payroll related documentation confidential and in a secured location accessible only to personnel required to enter HR or payroll related transactions and adjustments.

- Time and attendance records signed by employee and supervisor, including hours worked and leave taken;
- Posting to cumulative records;
- Signed contracts describing scope of services and rate to be paid to contract employees;
- Proper allocation or distribution of employees' time and cost to applicable department;
- Hiring letters or appointment documentation;
- Payroll certifications; and approvals where necessary;
- Forms W-4 and other documentation related to tax deductions;
- Voluntary and Involuntary payroll deduction or garnishment forms, including direct deposit, deferred compensation programs, Dependent Care Assistance forms, Insurance forms and changes, reimbursement requests;
- Back up documentation related to payroll activities, changes or adjustments;
- Employment claims, grievances, law suites and resolution documentation;
- Performance reviews; and
- Any other documentation related to employment.

Internal Controls

- CTR Internal Control Guide
- Job Aid: Best Practices For Payroll

Information Sources

Related Policies

- CTR Key State Finance Law Compliance Roles and Responsibilities Document
- CTR Department Head Signature Authorization Policy
- CTR Contract Employees vs. Independent Contractors Policy
- CTR Payroll and Labor Cost Management Policies
- CTR Contracts Policies

- Employment Status Form

Legal Authority

- 26 USC § 3121: Federal Insurance Contributions Act (FICA)
- 29 USC § 201: Fair Labor Standards Act
- Expenditure Classification Handbook
- M.G.L. c. 7A: Office of the Comptroller
- M.G.L. c. 29: State Finance Law
- M.G.L. c. 30, § 65: Legal Services
- M.G.L. c. 7, § 22: OSD – Commodities
- M.G.L. c. 30, § 51: OSD – Services
- M.G.L. c. 30, §. 52: OSD – Services
- M.G.L. c. 29 § 29A: Consultants (Level III – Executive only)
- M.G.L. c. 32 § 91: Payment of pensioners for services after retirement
- M.G.L. c. 149 § 148B: Contract Employees vs. Independent Contractors
- M.G.L. c. 149 § 148: Payment of Wages)
- M.G.L. c. 149
- M.G.L. c. 150E § 1: Labor Relations Public Employees
- M.G.L. c. 149 - c. 154: Labor and Industries Statues
- Massachusetts Executive Orders (Level III – Executive Only)
- Administrative Bulletins (Level III – Executive Only)
- C815 CMR 2.00-10.00: Comptroller Regulations
- M.G.L. c. 29 § 66: State Finance Law Violations
- COMMBUYS
- COMMBUYS Policies
- 801 CMR 21.00
- 808 CMR 1.00
- Omnibus Budget Reconciliation Act of 1990
- Federal Insurance Contributions Act (FICA)

Links

- http://www.irs.gov/formspubs/
- http://uscis.gov/graphics/formsfee/forms/i-9.htm

Contacts

- CTR Solution Desk