

Human Resources

State Payroll Loan Policy

Human Resources (HRS) offers a payroll loan service to UB employees on New York State payrolls (salaried, hourly, TA/GA and student assistant) when circumstances occur preventing an employee from receiving his/her regularly scheduled payroll check. For the purpose of this policy, the term *loan* is defined as: *a courtesy check, drawn on a University at Buffalo Foundation, Inc. (UBF) account, in the amount of 60% of an employee's gross wages for the pay period(s) in question, to alleviate financial hardship to the employee, student assistants are eligible for a loan of 70% of gross wages.* The minimum loan amount is \$50.

Eligibility

The circumstances that may occur to initiate a loan are:

1. An employee's Personnel Transaction Form (PTF) or other required documentation is submitted to HRS too late for the state computerized payroll system to generate a timely paycheck;

If a PTF or other required documentation has not been submitted in a timely manner, HRS must have the original documents in Crofts before a loan can be issued. HRS may require a written request for the loan. Loans are not available for fee basis or summer appointments. For those appointments, the missed payment amount will be added to the remaining payments in the cycle. (Loans should not be considered a routine alternative to the timely submission of paperwork by campus units. Repeated requests for this reason may result in the limitation of loans issued.)

2. A paycheck is not generated due to HRS staff or computer error;

In the event of HRS staff or computer system error, a loan will be available to an employee.

3. A paycheck has been lost or stolen;

If a paycheck has been lost or stolen, a stop payment must be placed on the check before a loan can be issued. HRS will contact the NYS Treasury department for a lost check application form. The employee must complete the application and return it to HRS to be forwarded to Treasury. Once Treasury receives the application they issue a stop payment and at that time the employee will be eligible for a loan in the amount of the net of the lost paycheck. When the replacement check is received HRS will deposit it to cover the advanced amount.

4. Student Assistant timesheets are submitted past the published deadline;

If student assistant timesheets are submitted past the deadline the department or the student should call HRS and request a loan for the missed payday. Except for extenuating circumstances, loans may not be granted if requests exceed two occurrences per student per year.

Employee Procedure

When it is determined an employee is eligible for a loan, the employee may come to Crofts to pick up the check or opt to have the check sent with the regular payroll distribution on the payday that would have been missed.

Reimbursement

The amount of the loan will be deducted from the wages of the employee's next check, which is generally the check that includes the current and previous pay period. If for some reason the deduction cannot be made, the pay check will be deposited into the loan account and a UBF check will be issued for the wages due the employee less the amount of the loan.

ILLUSTRATIVE EXAMPLE

Tom Smith, a new employee, is due to be paid a gross of \$1250 in his first paycheck on October 5, 2005. However, his paperwork was delayed and a loan is requested against the amount due him. Tom receives a loan check on 10/5/05 in the amount of \$750.00; 60% of \$1250.00. On the next scheduled payday, 10/19/05, Tom's paycheck will be \$2500.00, reflecting both the current and the previous pay period. The net amount of his check will include a deduction of \$750.00 for the loan on 10/5/05 as well as his regular deductions for taxes, etc. The loan deduction will be reflected as code 823 indicating a deposit to the UBF account to repay the loan.