

Payroll Deductions Policy to Third Parties Policy

Number:	Admin.
Responsible Manager:	Executive Manager Human Resources
Head Policy:	N/A
Legislation:	N/A

1. Purpose

The purpose of this Policy is to outline the process for Payroll Deductions to Third Parties

2. Scope

This Policy applies to all KASC employees, Councillors and third parties.

3. Definitions

Councillors - Mayor, Deputy Mayor and Councillors

Employees – CEO, Executive Managers, Line Managers, employees, contractors and volunteers

Third Party – An entity requesting payment from an employee, and who:

- a) is based in the Kowanyama Aboriginal Shire Council local government area and
- b) has a current Australian Business Number (ABN) and
- c) is registered for GST (if applicable)

Third party employee payment transaction – Fixed sums to be remitted via fortnightly payment instalments.

4. Application

Council encourages third parties to provide payment facilities directly to employees however when this is not possible payroll deductions to third parties can occur when an employee wishes council to pay a third party direct from their pay. Deductions can be over one or multiple fortnightly pay runs.

4.1 Third Parties

4.1.1 Third Parties that wish to utilize this method of payment must be approved as a “Third Party”.

4.1.2 Application to be a “Third Party” is done by completing a “Payroll Deduction - Third Party form” (**Attachment 1**).

- 4.1.3 The “Payroll Deduction - Third Party” form ensures that all parties understand that:
- a) Council accepts no legal liability for:
 - i. payment owed to the Third Party
 - ii. goods or services provided to the employee
 - b) The employee can cancel or suspend these deductions at any time, or may not have sufficient payroll funds to make the payments
 - c) Council is not part of the agreement between the third party and employees
- 4.1.4 The “Payroll Deduction -Third Party” form is to be approved by the Executive Manager Finance and the Chief Executive Officer.
- 4.1.5 The Executive Manager Finance will inform Third Parties who have not been approved and provide the reasons for non-approval.
- 4.1.6 The “Payroll Deduction - Third Party” form must be received five business days before the first payment is due to be made through the fortnightly pay run.

4.2 Employees

- 4.2.1 Employees must complete a “Pay Deduction - Employee” form (**Attachment 2**)
- 4.2.2 The “Pay Deduction – Employee” form must state:
- a) The total amount that has to be paid
 - b) The amount that needs to be deducted per fortnightly pay
 - c) A reference number to appear on the third parties bank statement.
- 4.2.3 The “Pay Deduction – Employee” form must be approved by the Executive Manager Human Resources
- 4.2.4 The “Pay Deduction – Employee” form must be received five business days before the first payment is due to be made through the fortnightly pay run.

4.3 Processing

- 4.3.1 Payments will only be processed with the fortnightly pay runs.
- 4.3.2 The Payroll Officer will process the scheduled payments and they will automatically stop when the full sum has been repaid.
- 4.3.3 Any temporary ceasing of these agreements must be requested in writing by the employee.
- 4.3.4 The employee takes all responsibility for communications with the third party entity.
- 4.3.5 Council will only communicate details of the transactions directly with the employee.
- 4.3.6 No remittance advice is provided by Council to the entity.

- 4.3.7 It is the employees responsibility to communicate directly with the entity on all matters, including but not limited to:
- balance owing
 - months remaining
 - delays with payment.

4.4 **Record Keeping**

The Payroll Officer will hold a register of approved third party entities and nominated banking details.

5. **Review**

This policy is to remain in force until 30 June 2018.

6. **Resolution**

Adopted by Council on the 20 December 2017, commenced on 20 December 2017.

Attachments:

- Payroll Deduction - Employees form
- Payroll Deduction - Third Party form

Approval

This policy was duly authorised by Council as the Kowanyama Aboriginal Shire Council Payroll Deductions Policy to Third Parties Policy and shall hereby supersede any previous policies of the same intent.



Date 20/12/2017