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October 15, 1998

COMPTROLLER'S MEMORANDUM NO. 1998-31

TO: Heads of Departments

ATTN.: Payroll and Personnel Offices

SUBJECT: Clarification of Payroll Payment Policy for Placing Salaried Employees on "After-the-Fact" Pay

Since implementation of Comptroller's Memorandum No. 1998-14 dated June 12, 1998, we have received several inquiries: (1) What constitutes "incidents" as used in Situation 2 and (2) How an employee should be placed on the "after-the-fact" schedule.

An incident occurs when an employee does not report to work and is not ill nor is excused for an emergency. An incident also occurs when an employee leaves his job site for reasons other than excused illness or excused emergency. In both cases, the employee's return to work on the same day or subsequent day results in the completion of what is considered one incident. The minimum period of an incident is not less than fifteen minutes. Therefore, two incidents of leave which result in salary overpayment may occur within a single day and may result in the employee being placed on after-the-fact pay. As a reminder, any incidence of leave which results in salary overpayment must conform to dates contained on the Form 5, Notification of Personnel Action, which is generated by the departmental personnel office.

The employing agency should first notify the employee that he will be placed on after-the-fact pay. Secondly, implementation should be done over two pay periods to meet the requirements of Section 78-13, HRS which require that an employee be paid twice a month. For the first pay date following notification, the employee should be paid for half of the pay to which he is entitled for that pay period and then be paid for the remaining portion to which he is entitled on the following pay date.

Should there be any questions, please call Sheila K. Walters of our Pre-Audit Branch at 586-0650.

RAYMOND H. SATO
State Comptroller

DISTR: AIR-AF, HAR-SF, HWY-SF, BUS-F