



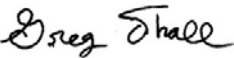
Management Directive

Commonwealth of Pennsylvania

Governor's Office

Management Directive 315.09 Amended – Withholding of Delinquent Local Taxes From Employee Pay

Date: November 23, 2021

By Direction of: 
Greg Thall, Secretary of the Budget

Contact Agency: Office of the Budget
Office of Comptroller Operations
Bureau of Commonwealth Payroll Operations
Telephone 717.787.6496

This directive establishes policy, responsibilities, and procedures for the withholding of delinquent per capita, occupation, occupational privilege, local services, and earned income taxes (collectively referred to as "Delinquent Local Taxes") from Commonwealth Employee pay. This amendment updates the title, definitions, scope and organization names.

1. PURPOSE.

To establish policy, responsibilities, and procedures for the withholding of Delinquent Local Taxes from Commonwealth Employee pay.

2. SCOPE.

This directive applies to all departments, offices, boards, commissions, and councils under the Governor's jurisdiction and to independent agencies using the SAP Human Resources (HR) and Payroll Module (hereinafter referred to as "agencies").

3. OBJECTIVES.

To ensure Delinquent Local Taxes are collected in accordance with Commonwealth laws and procedures.

4. DEFINITIONS.

a. Employee. A person employed by an agency within the scope of this directive.

- b. Wage Attachments Detail Report.** A report provided to tax collectors that includes Employee name, personnel area, case number, and amount withheld to ensure each Employee owing Delinquent Local Taxes is credited appropriately.

5. POLICY.

- a.** Upon presentation of a notice and demand under oath or affirmation to the Office of the Budget, Office of Comptroller Operations, Bureau of Commonwealth Payroll Operations (BCPO), or to any other fiscal officer of the Commonwealth or its agencies, it shall be the duty of BCPO to deduct from salaries or wages then owing, or that shall within 60 days thereafter become due an Employee, a sum sufficient to pay the respective amount of the Delinquent Local Taxes shown on the notice and demand. The withheld Delinquent Local Taxes shall be remitted to the tax collector of the taxing district in which the Delinquent Local Tax was levied within 60 days of such notice.
- b.** The amount to be withheld should not exceed 10% of an Employee's gross pay, except that the full amount must be withheld in no more than three (3) installments.
- c.** To be a valid notice and demand requiring withholding of Delinquent Local Taxes, the request must:
 - (1)** Be a written or electronically transmitted notice and demand for attachment of a Commonwealth Employee's salary or wages;
 - (2)** Be issued by the tax collector and include a statement under oath attesting that the information contained in the document is true;
 - (3)** Include a statement that the Employee whose salary or wages are to be attached works for the Commonwealth and lives within the taxing district from which the demand was received; and
 - (4)** Include information to identify the types of Delinquent Local Taxes, the amounts of Delinquent Local Taxes, and the years for which the Delinquent Local Taxes are owed.
- d.** Employees are to be notified of the reason for the payroll deduction and the amount of the Delinquent Local Taxes prior to the first date of payroll deductions.
- e.** If the Commonwealth overpays an Employee and makes a wage attachment deduction from the amount overpaid, the amount of the overpayment, including the wage attachment deducted, may be recouped pursuant to *Management Directive 315.08 Amended, Restitution of Overpayments and Collection of Employee Debts*.
- f.** The Commonwealth will only honor a valid notice and demand as indicated in Section 5.c. of this directive from Pennsylvania tax collectors.

6. RESPONSIBILITIES.

- a. **Agency HR Offices, Office of Administration, HR Delivery Centers, or Human Resources Service Center (HRSC)** shall forward all notices and demands regarding Delinquent Local Taxes to BCPO.
- b. **BCPO shall:**
 - (1) Review Delinquent Local Tax notices for appropriateness and ensure all required information is included.
 - (2) Prepare and distribute correspondence to Employees whose salaries or wages will be subject to payroll deduction resulting from Delinquent Local Taxes.
 - (3) Process transactions in SAP to initiate payroll deductions.
 - (4) Remit checks payable for Delinquent Local Taxes, with a copy of the corresponding Wage Attachments Detail Report, to the appropriate tax collector.
 - (5) Maintain supporting documentation of the withholding and remission of Delinquent Local Taxes in accordance with applicable records retention and disposition schedules.

7. PROCEDURE.

- a. **Tax Collector.** Provides Delinquent Local Tax notice to the Employee's agency, HRSC, or BCPO.
- b. **Agency HR Office, HR Delivery Center, or HRSC.** Immediately forwards Delinquent Local Tax notice from a tax collector to the BCPO's Payroll Operations, Special Processing.
- c. **BCPO:**
 - (1) **Payroll Operations, Special Processing.**
 - (a) Receives the Delinquent Local Tax notice.
 - (b) Determines the Delinquent Local Tax notice is for appropriate per capita, occupation, occupational privilege, local services, and/or earned income taxes, and that the required information (type of tax, amount of tax, years for which taxes are owed) has been provided.
 - (c) Prepares and distributes correspondence prior to the first date of payroll deductions that informs the Employee of the reason for the deduction, the amount of the Delinquent Local Taxes, and refers all questions related to the Delinquent Local Tax and/or the attachment to the appropriate tax collector.
 - (d) Processes an Employee transaction to initiate payroll deductions.

(2) Payroll Operations, Deduction Accounting.

- (a)** Forwards the payroll deduction check payable to the appropriate tax collector with a copy of the Wage Attachments Detail Report.
- (b)** Maintains supporting documentation of the withholding and remission of Delinquent Local Taxes in accordance with applicable records retention and disposition schedules.

This directive replaces, in its entirety, Management Directive 315.09 dated August 30, 2011.