

Policy/Procedure Functional Area: HR/Payroll: Payroll

Policy/Procedure Title: Mercy Cashless System Payroll Deductions

Policy/Procedure Number: 034

Effective date: July 31, 2007 (*or upon Mercy Cashless System implementation*)

Purpose:

The purpose of this procedure is to provide guidance to co-workers for the use of the Mercy Cashless System.

Policy:

It is the policy of the Sisters of Mercy Health System to make available to specified co-workers a means of paying for SSU-defined co-worker services, where cash or other payment is required on a cashless basis, as both a convenience to co-workers and a means to facilitate payment for the designated SSU services.

Procedure:

The Mercy Cashless System is used in conjunction with Mercy's payroll system and allows co-workers to use their ID badge as a method of payment, whereby the purchase amount is deducted from the co-worker's next paycheck. Co-workers will present their ID badge to the appropriate staff at checkout as an eligible method of payment. The ID badge is swiped and the transaction is included in the co-worker's pay period deduction record.

During the processing of the next pay period's information, the transactions are accumulated and deducted from the co-worker's net pay. The deductions are listed by type (pharmacy, meals, auxiliary, gift shop and/or co-worker store) where applicable on the co-worker's pay check. Since ID badges provide an easy payment method, co-workers should keep their ID badges in their possession at all times.

Eligibility

- Eligible co-workers will be automatically entered into the program at the time the Mercy Cashless System becomes available at the Mercy facility.
- Active co-workers are eligible to participate in the Mercy Cashless System with the exception of co-workers who have given notice of resignation or are on a non-paid leave of absence. Please contact Human Resources for more details on eligibility.
- New co-workers are introduced to the program as part of the orientation program. Upon completion of the Authorization to Use Mercy Cashless System Form and receipt of their ID badge, the co-worker will be able to use the system or request to "opt-out" of the benefit.
- The use of Mercy's Cashless System is a benefit, and misuse of the system may result in disciplinary action and the removal of the benefit from the co-worker. Reinstatement of the benefit will be determined on a case-by-case basis by Human Resources.

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- Under no circumstances will a co-worker be allowed to use another co-worker's badge and doing so, even with the consent of the co-worker, will result in a disciplinary action.
 - Spouses and dependents are not eligible to use the Mercy Cashless System as a payment option.
 - The co-worker will not be allowed to charge at any location without their ID badge.

Transaction Limits

- Co-workers are limited to a total amount of \$500 per pay period for cashless transactions. Residents are limited to \$18 per day.
 - Co-workers are allowed to spend up to \$400 per pay period (of the total \$500 limit) in food service locations. These transactions will be deducted from the co-worker's next pay check.
 - Co-workers are allowed to spend up to \$400 per pay period (of the total \$500 limit) in retail service locations (retail locations include pharmacy, co-worker store and gift shops.) Retail transactions will be deducted over two pay periods for transactions of \$200 or more.
- Transaction limits will be strictly enforced. In the event that a co-worker's net pay is insufficient to cover the current period's deductions, the amount in arrears will be carried over to the following pay period. While in arrears, no additional Mercy Cashless System transactions will be allowed. Co-workers are encouraged to be aware of their usage of the program and the amounts to be deducted from their next check.
- In the event that a transaction is posted after a co-worker terminates employment, the amount remaining will be charged to the co-worker's final check when possible or collected directly.

Discrepancies

- All questions regarding the amount of deductions made as a result of this benefit will be directed by the co-worker to the originating department (*i.e.*, cafeteria, pharmacy, auxiliary, co-worker store, gift shop, etc.). The resolution process includes a review of transaction documentation on a case-by-case basis. If escalation of the issue is necessary, the co-worker's department head may become involved.
- The Mercy Cashless System Adjustments Form must be completed and adjustments made by the originating department.

Down Time Procedures

- In the event that the system becomes temporarily unavailable, the system has the ability to store the transactions. If it is necessary, the applicable locations can complete the Mercy Cashless System Adjustments Form for each transaction and make the adjustment within the system. Where necessary because the systematic limits are not available for enforcement during this time, the originating department will submit overages to Human Resources to update directly in the HR/Payroll system.
- The Mercy Cashless System Adjustments Form is to be used when the system is unavailable. It is not to be used for co-workers who forget their ID badges.

- If the system is down for more than three days, cashless deductions will be discontinued until the system is functioning again.

Roles/Responsibilities:

Leaders

- Managers should complete a PERSONNEL ACTION FORM (PAF) and submit the form to Human Resources immediately when they become aware of a co-worker TERMINATION. It is perfectly acceptable to process a PAF with a TERMINATION date that is a week or two in the future.
- With ID badges now being a form of payment, it is the responsibility of the co-worker's supervisor to make sure terminating co-workers turn in their ID badges for destruction so no transaction is posted after a co-worker leaves.

Co-workers

- Co-workers must follow Human Resources policies regarding the safekeeping of their ID badge. Co-workers who lose their ID badge should report the loss to Human Resources immediately and may have this benefit temporarily suspended to ensure that there is no fraudulent use of the co-worker's lost ID badge.
- Co-workers are responsible for notifying Human Resources if their badge does not work with the Mercy Cashless System.
- In the event of a discrepancy, the co-worker must notify the originating department immediately.

Human Resources

- Human Resources will notify co-workers when the Mercy Cashless System service is available in a specific location.
- Human Resources is responsible for communicating the provisions of this policy and answering co-worker questions regarding eligibility, etc.

Exceptions:

None

Attachments:

Authorization to Use Mercy Cashless System Form
Mercy Cashless System Adjustments Form

Definitions:

Please refer to the Glossary for further explanation of CAPITALIZED terms.

Originated by: Elizabeth Combs

Date: July 19, 2007

Legal review by: Jacque Richmond, Executive Director/Counsel

Date: July 31, 2007

**Enterprise Policy – Mercy Cashless System Payroll
Deductions**

July 31, 2007

**Reviewed by: Jim Jaacks in absence of Vice President, Human Resources
Date: July 31, 2007**