

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM  
BUSINESS PROCEDURES MANUAL

Procedure 5.11  
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Effective Date: April 1, 2009

Supersedes: Business Procedure 5.11 dated January 15, 2002

Applies To: Colleges

Procedure Responsibility: KCTCS Payroll

## **Deceased Employee Wages**

Section 5.11.1 – Death Between Payroll Final Process and Payment Distribution

Section 5.11.2 – Death Before Payroll Final Process

Section 5.11.3 – Release of Payroll Funds or Data

### **Section 5.11.1 - Death Between Payroll Final Process and Payment Distribution**

Submit to KCTCS Payroll a direct deposit recall form (prior to the pay date). Once the administrator/executor of the employee's estate has been designated by the court, a net check will be issued payable to the employee's estate. A copy of the court order, signed by the appropriate court, is required prior to issuance of the estate check.

### **Section 5.11.2 - Death Before Payroll Processing**

When a final paycheck is to be issued to the estate of a deceased employee, the first step is to notify the offices of KCTCS Payroll, Human Resources (HR), and Employee Benefits. If an employee dies and pay is due (and has not been previously processed in payroll), then these funds are not subject to federal tax. Colleges should enter the information for remaining payments into the PeopleSoft payroll module inclusive of regular pay, terminal vacation pay, banked time, etc. Colleges should check personnel records to determine if the employee bridge loan repayment is applicable for deduction from the check. All payments should be coordinated with KCTCS Payroll to ensure tax and benefit information is entered correctly.

### **Section 5.11.3 – Release of Payroll Funds or Data**

Payroll funds or data should not be released under any circumstances to anyone other than the individual named as the administrator or executor of the deceased employee's estate. A copy of the court order, signed by the appropriate court, is required.

**END OF PROCEDURE**