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PAYROLL BULLETIN
(3-94)

TO: All State Agencies, Departments, Boards, Commissions
and Universities

SUBJECT: Distribution of Payroll Warrants

It has been brought to our attention by the Auditor General that some agencies are distributing payroll warrants before the scheduled pay date.

According to State law, as the State payroll officer, the Comptroller, has the responsibility for supervising the issuance of payroll warrants (15 ILCS 405/12). The statute further requires the Comptroller to prepare a schedule showing dates on which all employees of the State shall be paid. In scheduling pay dates, the Comptroller is limited by a statutory provision which states that, with the exception of terminating employees, payments cannot be made to employees before completion of the period for which the compensation is being paid (15 ILCS 405/13).

The Comptroller's Office releases salary warrants to State agencies at least two working days prior to the scheduled pay date to allow for mail distribution. With the exception of terminating employees, **warrants not mailed must be held by the employing agency and distributed no earlier than the scheduled pay date.**

Please note that distribution of warrants before the scheduled pay date could cause the State to be in violation of federal law and subject to substantial penalties. Under Internal Revenue Code §6302, the Comptroller's Office must deposit federal income tax withholding and employer and employee social security and Medicare taxes the first banking day following payment. The Comptroller's Office can deposit on the proper day only if employees are paid on the scheduled pay date. If warrants are not distributed on the scheduled pay date, the actual date the withholding deposit is due is unknown and can only be estimated.

Please review your agency's procedures for the distribution of payroll warrants and make any necessary changes to ensure warrants are not distributed early. Questions concerning this bulletin should be directed to Dan Steven at (217) 782-4758.