

Understanding the Paycheck

Q. What is the difference between gross earnings and taxable gross?

A. See below.

Paycheck Summary

Gross Earnings – Wage times hours worked, plus any reimbursements

Federal Taxable Gross – Income amount subject to Federal Taxes

Paycheck Summary						
	Gross Earnings	Fed Taxable Gross	Total Taxes	Total Deductions	Net Pay	
Current	2,125.83	1,800.09	498.93	358.82	1,268.08	

Q. What recent changes to the paycheck view make it easier to understand?

A. A “Rate Used” column was added to the paycheck view to identify types of earnings.

o Key:

- “F” – FLSA
- “NP” – No Pay
- “H” – Hourly
- “A” – Amounts
- “U”- Unit

Earnings					
Description	Rate Used	Hours	Rate	Amount	YTD Amount
Regular		72.00	23.298000	1,677.45	7,944.58
Holiday	H	8.00	23.298000	186.38	745.52
Overtime 1	F	4.00	23.508409	140.21	842.18
Hazwoper	U	28.00	0.331000	9.26	89.34
GTT					5.15
LEK					5.66
Vacation					629.04
Total:		112.00		2,013.30	10,261.47

Q. What do the earning descriptions mean?

A. See below a description of commonly used earning types.

Earnings Description

YTD	Year-To-Date cumulative totals – wages, deductions, payments
Regular	Pay for ‘regular’ hours worked
T&L – RFR	Pay reduction from regular pay - amount replaced by sick, vacation, holiday, or compensatory time pay (also shows as a minus \$\$ under Regular)
Retro Pay	Retroactive pay
Sick	Sick pay
Comp Used	Compensatory time pay
Vacation	Vacation pay
Holiday	Holiday pay
Other Lv	Administrative leave granted by manager
Adj/Sck Hr	Adjustment of sick leave hours reduces your balance to compensate for the annual sick leave payout if you qualify and elect to receive payment on the 2 nd paycheck in January each year
Sck Py – 50%, 75%, 100%	Annual sick leave payout if you qualify and elect to receive payment on the 2 nd paycheck in January each year
GTT	Gate truck premium
Adj/Vac Hr	Annual vacation leave payout per Police union contract
Vac/Payoff	Final vacation pay
F&B Reimb	Food and beverage reimbursement
Misc Reimb	Miscellaneous purchase reimbursement
Tvl Reimb	Travel reimbursement
Uniform	Uniform allowance per union contract
LEK	Leak investigator/locator

Q. How do you calculate the Fair Labors Standard Act (FLSA) overtime rate?

A. See example below.

FLSA Overtime Calculation

Notes regarding the example used to explain the calculation of overtime using FLSA:

The premium known as 'Hazwoper' is a hazardous materials premium, and OT means overtime

FLSA rules mandate the overtime rate of pay must be calculated separately for each week

Since the overtime rate can differ each week by the premiums worked, there can actually be two overtime rates in a paycheck

A premium and OT occurred only in week 1 shown below, but if there was OT in week two, the calculation would have to be done for week 2, separately

Earnings Types identified by an “F” are FLSA impacted.
 The FLSA rate will be shown on the paycheck for calculation of overtime.

Earnings					
Description	Rate Used	Hours	Rate	Amount	YTD Amount
Regular		72.00	23.298000	1,677.45	7,944.58
Holiday	H	8.00	23.298000	186.38	745.52
Overtime 1	F	4.00	23.508409	140.21	842.18
Hazwoper	U	28.00	0.331000	9.26	89.34
GTT					5.15
LEK					5.66
Vacation					629.04
Total:		112.00		2,013.30	10,261.47

Below is the actual timesheet, highlighted are the hours that were worked at the premium pay (hazwoper)

From Sunday 02/12/2012 to Saturday 02/25/2012														Total	Time Reporting Code	OT Priority	Combo Code
Sun 2/12	Mon 2/13	Tue 2/14	Wed 2/15	Thu 2/16	Fri 2/17	Sat 2/18	Sun 2/19	Mon 2/20	Tue 2/21	Wed 2/22	Thu 2/23	Fri 2/24	Sat 2/25				
								8.00						8.00	HOL - Holiday		074006900600--
									8.00					8.00	REG - Regular Earnings		001006070200607P0912-
		4.00	8.00		4.00									16.00	REG - Regular Earnings		074006900600-690CW428
			4.00											4.00	REG - Regular Earnings	Yes	074006900600-690CW428
					1.00									1.00	REG - Regular Earnings		074006900600-690CW441
												4.00		4.00	REG - Regular Earnings		074006900600-690CW441
	4.00									8.00				12.00	REG - Regular Earnings		074006900600-690CW446
		4.00												4.00	REG - Regular Earnings		074006900600-690CW446
				8.00										8.00	REG - Regular Earnings		074006900600-690TRAIN
	4.00										8.00	4.00		16.00	REG - Regular Earnings		074006900600690D121219-
					3.00									3.00	REG - Regular Earnings		074006900600690D121219-

Submit

STEP 1		Hrs.	Rate	Total	
	Regular rate of pay	44	23.298	\$1,025.112	
	Premium rate of pay	28	0.331	\$9.268	
				\$1,034.380	First, add the Hazwoper premium pay and regular pay totals together

STEP 2	Hours	FLSA Rate	
	44	23.50863636	Divide 1034.38 by hours worked (44) to get FLSA rate

STEP 3		Premium OT Rate	
	11.75432		Then multiply FLSA rate (23.508)x .5 to get the premium OT rate .5 is the fixed FLSA rate

STEP 4	Hours	Rate	Total	
			93.1	4 hours at regular pay
	4	23.298	9	
			47.0	4 hours at premium OT rate
	4	11.754	2	
			140.	Add the premium OT rate and the regular rate together to get the final OT rate of 35.052
		35.052	21	

The correct overtime rate is 35.052 for week 1, and since week 2 had no overtime, a separate calculation did not need to occur.

Use the correct rate and multiply by the hours to get the correct overtime pay, \$140.21, as shown on the paycheck.

Q. Which payroll taxes do I pay?

A. See below.

Taxes

- Fed Withholding Federal Income Tax withholding on taxable income (1040 income)
- Fed MED/EE Your payment of Medicare Tax (1.45%)
- Fed OASDI/EE Your payment of the Social Security Tax (6.2%) reduced by 2% by Federal government

Taxes		
Description	Amount	YTD Amount
Fed Withholding	309.12	901.61
Fed MED/EE	30.64	89.94
Fed OASDI/EE	88.76	260.52
MN Withholding	114.75	335.69
Total:	543.27	1,587.76

Q. Which of my deductions have tax advantages?

A. Benefit plan before-tax deduction amounts are employee paid and reduce federal and/or state taxable gross.

Before-Tax Deductions		
Description	Amount	YTD Amount
MED ES Btx		138.54
Pension	125.83	641.34
Total:	125.83	779.88

Before-Tax Deductions

- HCFSAEven** Health Care Spending Account – even numbered years
- HCFSAOdd** Health Care Spending Account – odd numbered years
- DCFSAEven** Dependent Day Care Spending Account – even years
- DCFSAOdd** Dependent Day Care Spending Account – odd years
- HCSP-MSRS** Health Care Savings Plan – managed by the Minnesota State Retirement System

Before-Tax Deductions Continued

Def Comp Deferred Comp Savings – ICMA, ING, Great West – State Plan
HFapt Haaf Parking Ramp – Appointed

(Pretax parking indicated by abbreviation of ramp name)

B-taxPassP Pretax Buss Pass
MED ES Btx Medical Plan Essential network Before Tax premium
Btax Opt L Optional Life insurance with Before Tax premium
Pension MERF, PERA, Police/Fire PERA, Police or Fire Relief
 Employer also pays a portion each paycheck

Q. Which deductions are paid with earnings that are already taxed?
A. Union Dues are after tax deductions.

After Tax Deductions

You would also find dependent life and charitable deductions in this category.

After Tax Deductions		
Description	Amount	YTD Amount
Un-Water		94.00
Total:		94.00

Q. What type of indirect compensation do I receive from my Employer?

A. You receive Employer Paid contributions toward benefit plans and your future retirement.

Employer Paid Benefits		
Description	Amount	YTD Amount
SkLvRetER	14.09	71.83
Sngl VEBA		180.00
MED ES Btx		813.80
0100 Dentl		116.00
FT Basic		2.60
City Disab		24.22
Pension	145.96	743.95
* Taxable		
Total:	160.05	1,952.40

****** Indirect Compensation Year-to-Date**

Employer Paid Benefits

SkLvRetER	Employer paid contribution toward sick leave severance at retirement.
Sngl VEBA	Single VEBA/HRA contribution associated with medical plan enrollment
MED ES Btx	Employer's contribution toward your medical plan
0100 Dentl	Employer's payment of the Dental Premium
FT Basic	\$10,000 Basic Term Life Insurance paid by employer
Atax Opt L	Optional Life insurance with After Tax premium
Btax Opt L*	Taxable Imputed income on your pretax Optional Life (above) Insurance, per IRS regulations
City Disab	Long Term Disability Insurance

Q. Is my earned sick and vacation time calculated in hours or days?

A. Sick is hours, exempt vacation is days, non-exempt vacation is also hours. See below:

Sick & Vacation Accrual Balances

Leave Balances Year-To-Date								
Leave Plan	Start Balance	Earned	Bought	Taken	Sold	Adjusted	End Balance	
Sick Hours	841.8	66.5		104.0		-96.0	708.3	→
Vacation Days	45.0	18.0		34.0			29.0	→

Sick Leave Hours: Applies to both exempt and non-exempt staff

Total *hours* earned, taken, sold (donated), adjusted and the End Balance. End Balance can be divided by 8 hrs. to determine the number of days. (Example: 480 hrs. / 8 = 60 days) (Fire Fighters: 720 / 12 = 60 days)

Vacation Days: Applies to exempt staff only

Per FLSA rules, all exempt employee vacation earnings are converted to days on the online check advice. If the results are a partial day, the number is rounded up or down depending upon the midpoint of the tenth. (Example: 351.5 hrs. / 8 = 43.9 or 44 days)

Vacation Hours: Applies to non-exempt staff only

Total hours earned, taken, sold (donated), adjusted and the End Balance can be divided by 8 hrs. to determine a day value. (Example: 351.5 hrs. / 8 = 43.9 days)

Printing Paycheck or any other Self Service page

When you wish to print **any** page in the HRIS System, use one of the following options:

1. **Do not minimize** the menu on the left side of the page, go to 'File' in the upper left hand corner of the screen and select 'Print' to send the document to your printer of choice.
2. **OR, minimize** the menu on the left side of the page, use your mouse and click anywhere on the paycheck. Next, go to 'File' in the upper left hand corner of the screen and select 'Print' sending the document to your printer of choice.

If you are experiencing cutoff data on the right hand side of the check ...

In HRIS, click on File > Page Set up >

Then adjust margins to 0.2

Next, click on File > Print Select your printer and click 'OK'

This will produce 2 pages with all data from your paycheck.

