

Calculation of Your Paycheck

The system determines earnings, deductions, taxes, and net pay for employees as follows:

Calculate Total Gross Earnings
Total gross earnings are calculated using earn codes and amounts to calculate pay.

Calculate Federal and State Taxable Gross Income		
	Total Gross Earnings <small>(On the paystub this is labeled "Total Gross")</small>	Example: regular, overtime, achievement awards, compensated leave, taxable business expense reimbursements & relocation payments
less	Before-Tax Deductions	Example: deferred compensation, TSA, medical, dental, retirement, medical/dental expense account, parking/van pool account
less	Non-Taxable Amounts	Example: business expenses; non-taxed relocation payment types
plus	Employer-Paid Taxable Benefits	Example: basic life premiums over \$50,000, personal use of state vehicle
equals	Taxable Gross Income <small>(On the paystub this is labeled "Federal Gross")</small>	

Calculate Taxes		
Taxes are calculated on taxable gross income. Calculations on most earnings will be made using your W-4 information and the IRS tax tables. The exception is supplemental earnings, such as overtime and retro back pay, which are taxed instead using a percentage defined by federal and state tax authorities.		

Calculate Net Pay		
	Total Gross Earnings	
less	Before-Tax Deductions	Example: deferred compensation, TSA, medical, dental, retirement, medical/dental expense account, parking/van pool account
less	Taxes	As calculated above.
less	After-Tax Deductions	Example: union dues, long term care insurance, disability insurance, additional life insurance
equals	Net Pay	