

**Salaried Employees:** Teachers, administrators, principals and directors are salaried. Your Gross Wage is your annual salary divided by the number of paychecks you receive in a year. Depending on your contract, this could be 20 or 24 pays.

**Hourly Employees:** Bus Drivers, ESP's, Custodians, Food Service, Maintenance, Technicians, and Secretaries are hourly employees whose pay is annualized. This means your salary is calculated for the entire year and divided by the number of paychecks you have chosen. Depending on your contract, this could be 19, 20, or 24 pays.

### GLOSSARY

**Deductions:** These are items for which you pay. They may be mandated, such as for pensions, or by election, such as Health Insurance.

**Employer Paid Benefits:** These do not affect your paycheck. These are items the District pays for on your behalf. The cost is listed on your paystub so you are informed of your total compensation package.

**Federal and State Tax:** This is the tax that you pay from each check. The amount is calculated by your wage and by what you claim on your W-4 Form.

**Gross Wages:** Your gross pay is the amount you make before taxes.

**Net Pay:** This represents how much money will be direct deposited into your account. Gross wages minus taxes and deductions equals net pay.

**Medicare:** 1.45% of your taxable income goes into the Medicare fund. This is for insurance coverage in retirement and for most of us starts at age 65.

**OASDI:** 6.2% of your taxable income goes for Old Age/Survivors/and Disability Insurance. This is generally what we think of as money received in retirement. Benefits are also paid from this fund to survivors in case of death or disability in cases where employees are no longer able to work.

**Other Withholdings:** These deductions may include Union Dues, Flexible Spending Plan, Life Insurance, Health Insurance, and Tax Sheltered Plans.

**Pre-tax Deductions:** Pre-tax deductions are subtracted from your gross pay before federal, state, and in some cases, Social Security taxes are calculated. Pre-tax deductions include pension, health insurance, tax-sheltered plans (403b and 457), and the flexible spending plan.

**Retirement Programs:** There are two state retirement programs for district employees. State law mandates employees pay into these funds when they qualify. Employees who don't qualify for either plan will pay into Social Security only.

- 1.) Those employees who are required to have a teaching license are covered under the Teacher's Retirement Association, better known as **TRA**. The current deduction is 7.5% and is matched by the district.
- 2.) All other employees who qualify are covered under the Public Employees Retirement Association (**PERA**). The current deduction is 6.5% and is matched by the district at 7.5%.

**Taxable Income:** This is the amount from which your taxes are calculated. Taxable income is your gross income LESS any tax sheltered annuities, any flex amounts (health insurance premiums, flexible spending, dependent care) and your retirement. Flex amounts are subtracted from your gross wages for Social Security taxable income.

Whizbang Public Schools  
 PO Box 100  
 Anywhere, MN 55555

Pay Stub

Sample Employee ACH  
 101 Grand Avenue  
 Grand Rapids, MN 55744

Any deductions withheld.  
 \*means pre-tax

Date	Payment Type	Account Type	Financial Institution		
05/12/2017	Direct Deposit	Savings	Wells Fargo (Minnesota)		
Pay	End Date	Units	Rate	Amount	
Teacher Contract	04/28/2017	0.0000	\$0.00	\$1729.00	
				<b>Total:</b>	<b>\$1729.00</b>

Account	Amount	
*****999	\$1118.17	
<b>Total:</b>	<b>\$1118.17</b>	
Deductions (* = Pre-Tax)		
Blue Cross *		Amount: \$84.65
TRA *		\$129.68
-Ameriprise Financial Services Inc *		\$41.67
<b>Total:</b>		<b>\$256.00</b>

Any benefit paid by the District.

Benefits	Amount
Workers Comp Board	\$12.10
Dental Board	\$21.18
Medicare - Employer	\$23.84
-Ameriprise Financial Services Inc	\$41.67
OASDI - Employer	\$101.94
TRA Board	\$129.68
Health Insurance	\$338.60
<b>Total:</b>	<b>\$669.01</b>

Gross Pay

Taxes	Amount	Taxable Wages
Federal Income Tax	\$161.84	\$1473.00
Medicare	\$23.84	\$1644.35
MN Income Tax	\$67.21	\$1473.00
OASDI	\$101.94	\$1644.35
<b>Total:</b>	<b>\$354.83</b>	

Taxes withheld and taxable income

Net Pay

Pay Summary	Gross	Fed Tax	State Tax	Medicare	OASDI	EIC	Deductions	NET
Current	\$1729.00	\$161.84	\$67.21	\$23.84	\$101.94		\$256.00	\$1118.17
Taxable Income		\$1473.00	\$1473.00	\$1644.35	\$1644.35			
Calendar YTD	\$16145.99	\$1509.79	\$629.92	\$220.13	\$941.24			