

## How to Read Your Paycheck Stub

The pay stub has many boxes that one may forget the purpose, we have provided below a written explanation for the sections that may appear on the pay stub. Please keep this as a reference. This guide will also be posted on the PSD Web-site.

### What is Included on a Paycheck Stub?

Although every company prints paychecks that are unique in their own way, there are some aspects of the employee paycheck that employers must include by law. Some paycheck stubs can be extremely detailed including such items as retirement plan contributions or accrued vacation or sick time, and others will only detail the required information. The following items will appear on every paycheck stub:

- **Total Gross Pay:** Includes the total amount of income that you earned during a particular pay period. A pay period is monthly. This figure is before taxes and deductions. In the Earnings area under salary you will see different earning types. There are codes listed to define the type of pay you are receiving. The most common codes are
  - NML: Normal Pay for positioned employees.
  - ADD1 or ADD5: Used for a variety of additional pay in excess of the employees normal pay.
  - MAST: Stipend for holding a Master's Degree
  - SUB: Payment for subbing for another employee or during a prep period.
  - LONG: Recognition of longevity within the district
  - PROF: Points for professional development outside of works hours.
  - CASH: Cash in lieu of benefits for classified full time employees
  - OT-1: Time above an employee's regularly scheduled hours not to exceed 8 hours in a day or 40 hours in a week.
  - OT-2: Overtime, hours above 8 hours in a day and/or 40 hours in a week
- **Taxable Gross:** This is the total of your earnings for the period that are subject to taxes, this amount takes into consideration any pre-tax deductions, such as a tax sheltered annuity, pre-tax medical deductions, section 125 flex spending accounts, employee paid retirement.
- **Deductions:** This box contains any deductions from your current month pay except pre-tax deductions.
- **Pre-tax Deductions:** This box contains any pre-tax deductions from your current month pay.
- **Net Pay:** Includes the amount of income that you actually take home after all withholdings have been applied. It is the amount of money that you take straight to the bank!
- **Federal Tax Amount:** When you were first hired you were required to fill out a W-4 form. This form indicates the number of exemptions you are claiming and how your taxes should be calculated. It is deducted incrementally from each paycheck, and can vary depending on the number of exemptions you chose to claim and how much money you earn during the month.
- **State Tax:** This amount is deducted from your paycheck (the same way as Federal tax) to cover the amount of tax that you may owe to the state when your tax return is filed.
- **FICA:** The Federal government requires every employee to have a certain percentage of their paycheck withheld for social security purposes. This entitles you to receive a monthly social security payment upon retirement. Certificated employees who are STRS members do not pay into FICA. For wages paid in 2016, employees and employers pay 6.2%.
- **Medicare:** Like Social Security withholdings, Medicare withholdings are also mandatory. Every employee pays 1.45% of their paycheck toward Medicare, and every employer contributes an additional 1.45% on behalf of the employee. Upon eligibility for Social Security, an employee is entitled to coverage for a majority of their medical expenses.
- **Workers Comp:** Employer paid insurance for industrial accidents.
- **SUI:** State Unemployment Insurance, this tax is used to give short term benefits to those who lost their jobs for a variety of reasons.

- **Deferred Net Pay (DNP):** 16.67% of the net pay is withheld and distributed back to the employee in June and July for ten month employees and 8.67% for eleven month employees.
- **STRS NTX:** Employee portion of the State Teachers Retirement System, if hired on or after January 1, 2013 the rate is 10.205%, if hired on or before December 31, 2012 the rate is 10.205%.
- **STRS:** Employer portion of the State Teacher Retirement System, the current rate is 19.1%.
- **PERS NTX:** Employee portion of the Public Employee Retirement System, if hired on or after January 1, 2013 the rate is 8.0%, if hired on or before December 31, 2012 the rate is 7.0%.
- **PERS:** Employer portion of the Public Employee Retirement System, the current rate is 25.37%.
- **Medical and Dental insurance deductions:** These deductions and contributions are pre-tax, which means they are taken out of your gross earnings before taxes.
- **Union dues:** LSEA members. Full time 61%-100% \$107.20, 51%-60% \$62.30, 34%-50% \$53.25, 26%-33% \$34.55, and 25% \$30.05. The year to date information for union dues is displayed in the Vol Deds (Voluntary Deductions) area of your paycheck stub.  
CSEA union dues are a requirement of each CSEA member and are a percentage based off salary not to exceed \$47.25. Local CSEA dues are \$2.00 a month. CSEA Victory dues are an optional due to be a part of a non partisan club, this deduction varies.
- **Year-to-date (for pay and deductions):** The year-to-date fields on your paycheck stub show how much you have paid toward a particular withholding at any point in the calendar year.

## Additional Items that May Appear on Your Paycheck Stub

Although not required, the following are items that may appear on your paycheck stub and are useful to money management and relevant to your employment status.

- **Insurance Deductions:** Monthly payments for such types of insurance as life insurance or disability insurance.
- **Retirement Plan Contributions:** Plans such as 401(K) or 403(B) retirement savings plans.
- **Leave Time:** Sick hours are listed as how many hours are remaining for the school year. LSEA contract 12.16 *every full time member shall be entitled to 10 days of leave for illness or injury with full pay for each year of service. Unused sick leave will accrue from school year to school year.* CSEA contract 12.7.8.1 *Classified employees shall be entitled to sick leave without loss of pay at a rate of one working day per month of employment per year.* Vacation hours are accrued on a monthly basis and accrue dependant on years of service.  
Sick time will change on the paycheck when an absence form is turned into the payroll department.
- **Important Notices:** Employers often use a portion of the paycheck stub to communicate important pieces of information to their employees such as wage increases or notifications about tax filings.