

SANTA MONICA COLLEGE & LOS ANGELES COUNTY OFFICE OF EDUCATION
How To Read Your Paycheck Guide

This guide is meant to assist you in understanding the information provided on your paycheck or direct deposit paystub.

On page 3 of this guide is a sample paystub to reference the information listed below and see where it is presented on the paystub.

On page 4 of this guide is a FAQ section meant to assist you in understanding how the payroll process works.

The Payroll Department is always available to assist you if you have a question or concern regarding your payroll check. For contact information please visit our website at <http://www.smc.edu/BusinessServices/payroll/Pages/default.aspx> or call our main line at 310-434-4234.

EARNINGS AND COMPENSATION INFORMATION FOUND ON YOUR PAYSTUB

(A) C/N Employee Type:

- C = Certificated (*Faculty, Academic Administrators, etc.*)
- N = Classified (*Accountants, Custodians, Administrative Assistants, etc.*)

(B) Basis of Pay:

- Monthly, Hourly, Daily, or Lump Sum Pay Rate

(C) End Date:

- Last day of earnings (*i.e. accrual date and pay period*)

(D) Earnings Type Description:

- Regular Salary, Over-time, Dock-time, Longevity (CSEA only), Retro Pay, Extended Minutes, earned Salary Advance (ESA), Vacation Payout, etc.

(E) Rate, Units and Amount:

- Rate, the rate of pay for service performed
- Units, the number of hours or days paid
- Amount, the dollar amount paid or deducted as a result of the units and rate of pay calculation

TAX WITHHOLDING INFORMATION

(F) Tax Withholding Status:

- Federal/State Married, Single or Head of Household
- Federal/State Withholding Allowance
- Information taken from employee's W-4/DE4 forms

EMPLOYEE PRE-TAX DEDUCTION INFORMATION

(G) Pre-Tax Reductions:

- Examples are deductions for Retirement CalSTRS/CalPERS, 403(b) TSA plans, Deferred Compensation 457(b) plans, Section 125 Cafeteria Plan including Dependent Care, etc.
- Earned Salary Advance (ESA) is a reduction from employee's gross pay on the 10th pay warrant (the ESA was previously taxed on the 25th of the prior month)
- These deductions reduce taxable wages

SANTA MONICA COLLEGE & LOS ANGELES COUNTY OFFICE OF EDUCATION
How To Read Your Paycheck Guide

EMPLOYEE AFTER-TAX DEDUCTION INFORMATION

(H) Payroll Tax Deductions:

- Statutory payroll tax deduction are Federal/State Withholdings, Social Security and Medicare
- Federal Withholding Taxes are based on the employee's W-4 form and the IRS Withholding Tax Tables (Circular E/Publication 15)
- State Withholding Taxes are based on the employee's W-4/DE-4 form and the State of California Employment Development Department withholding tax tables (Publication DE44)
- These deductions do not reduce taxable wages

(I) Other Deduction:

- These deductions are taken after all applicable taxes and mandatory deductions have been withheld
- Example deductions are Union Dues, Credit Unions, Voluntary Insurance Premiums, Wage Levies and Garnishment, etc.
- These deductions do not reduce taxable wages

EMPLOYEE YEAR-TO-DATE TAXABLE BALANCE INFORMATION

(J) Taxable Year-to-Date Balance

- This area shows the employee's calendar year-to-date gross and taxable earnings totals

EMPLOYER CONTRIBUTION INFORMATION

(K) Office Contribution

- These contributions are employer paid fringe benefits
- Example contributions are CalSTRS/CalPERS Pension plans, Social Security and Medicare, State Unemployment Insurance (SUI), Workers' Compensation, Other Post-Employment Benefits (OPEB), Life Insurance, etc.

How To Read Your Paycheck Guide

How To Read Your Paycheck and Direct Deposit Stub

(A) C/I/N
 C=Certificated Employee
 N=Classified Employee

(B) BASIS
 M=Monthly Pay Rate
 H=Hourly Pay Rate
 D=Daily Pay Rate
 L=Lump Sum Pay

(C) END DATE
 EARNING PERIOD
 07-31-XX = JUL
 08-31-XX = AUG
 09-30-XX = SEP
 10-31-XX = OCT
 Etc.

(D) EARNINGS TYPE
 Regular
 Over Time
 Dock-Time
 Retro
 Longevity (CSEA)
 Extended Minutes
 ESA = Earned Salary Advance

(E) RATE & UNITS
 Rate=Rate of pay see pay basis:
 Units=Number of hours/units/days paid or deducted.

(F) TAX WITHHOLDING STATUS
 M=Married
 S=Single
 00=Zero Allowances

(G) DEDUCTIONS FROM EMPLOYEE PAY
 Pre-Tax Deductions
 STRS RED=State Teacher Retirement System
 PERS RED=Public Employee Retirement System
 TSA XXXX=Tax Shelter Annuity 403b/457
 125 MEDRAB=Section 125 Plan Benefits
 125DEPCARE= Section 125 Plan Benefits
 Medical/Dental Premium=Fringe Benefits
 ESA=Earned Salary Advance

(H) PAYROLL TAX DEDUCTIONS
 FWT=Federal Withholding Taxes
 SWT=State Withholding Taxes
 OASDI DED=Social Security (if applicable)
 MEDICARE DED=Medicare (if applicable)

(I) OTHER DEDUCTIONS FROM EMPLOYEE PAY
 After-Tax Deductions
 Deductions include items such as union dues, credit unions, voluntary insurance coverage, wage levies and garnishments, etc.
 ROTH 403b

(J) TAXABLE YEAR TO DATE BALANCE
 Calendar year-to-date accumulations for gross earnings and taxable earnings.

Region, position or Los Angeles County
 10199 L.A. CO. OFFICE OF EDUCATION
 LAST NAME, FIRST NAME
 EMPLOYEE ID
 122456789
 TAX STATUS
 113
 PAY PERIOD
 10-05-20XX
 ISSUANCE DATE
 XXXXXXXX
 PAY LOCATION / pay grade
 S / O
 113
 PAYMENT METHOD
 00
 ALLOWANCES
 00

PERIOD	REGISTRATION	END DATE	RATE	WAGE	AMOUNT	DEBIT/INVESTMENT	CURRENT AMOUNT	YTD TOTAL
08-30-20XX	REGULAR	09-30-20XX	2,776.13	22.00	2,776.13		211.58	1,625.57
			27.20		27.20		2.18	324.04
							1,293.00	1,811.96
							2.00	320.00
							2.00	30.00
							36.75	14.00
								284.00

LEAVE BALANCES	CURRENT TAXABLE BALANCES	TWO YEAR BALANCES	CURRENT PAY BALANCE
VACATION	FEDERAL	FEDERAL	GROSS PAY
SICK LEAVE	STATE	STATE	DEDUCTIONS
COMP TIME	MEDI GROSS	MEDI GROSS	TAXES
	OASDI GROSS	OASDI GROSS	DEDUCTIONS
	CA SDI GROSS	CA SDI GROSS	NET PAY
	GROSS EARNINGS	GROSS EARNINGS	
	2,805.13	22,347.91	\$1,094.79

CONTRACT NO. L.A. CO. OFFICE OF EDUCATION
 DISTRICT OFFICE 6390 IMPERIAL HWY., DOWNNEY, CA 90642

Los Angeles County Office of Education
 Division of Accounting and Budget Development
 Payroll Department
 Revised 8/21/2014

SANTA MONICA COLLEGE & LOS ANGELES COUNTY OFFICE OF EDUCATION
How To Read Your Paycheck Guide

FAQ: HOW IS PAYROLL FOR A CLASSIFIED MONTHLY EMPLOYEE PROCESSED?

The following is a general explanation of how the 25th Earned Salary Advance (ESA) and the 10th Regular Salary Payroll is processed for a Santa Monica College classified monthly salary employee with a basic payroll situation.

1. When do Classified Monthly Employees get paid for the current “pay period” cycle?

As a monthly employee, your earnings pay period begins on the 1st and ends on the last day of the month (i.e. 1/1/19 - 1/31/19)

Your monthly salary for this pay period is paid to you on the 10th of the following month (i.e. Pay period of 1/1/19 - 1/31/19 is paid on 2/10/19. Additionally, you have the benefit of receiving a portion of your salary as an Earned Salary Advance (ESA) on the 25th of the current pay period, (i.e. 1/25/19, which will be deducted from your pay period on the 10th (i.e. 2/10/19)

2. What is an Earned Salary Advance?

A portion of your monthly salary is advanced to you on the 25th of the month as an Earned Salary Advance (ESA). It is only a partial “advance” of your monthly salary. For example, the ESA on 1/25/19 is an advance of your monthly salary which is due to you on 2/10/19 (for the pay period of 1/1/19 - 1/31/19)

3. Who receives and Earned Salary Advance?

Regular monthly classified employees will receive an Earned Salary Advance (ESA). The ESA is intended for employees that are scheduled to work the full month.

Employees out on the industrial injury and/or receiving Workers’ Compensation may not be eligible for the ESA. Also, some employees may not receive an ESA due to their hire date or separation date.

SANTA MONICA COLLEGE & LOS ANGELES COUNTY OFFICE OF EDUCATION
How To Read Your Paycheck Guide

4. How is my 25th ESA gross and net calculated?

The payroll system calculates the Earned Salary Advance (ESA) by taking your monthly salary, then subtracting any pre-tax reductions scheduled to be taken from your monthly salary, and it divides the result in half to come up with the ESA amount.

Sample of Monthly Salary Employee working January 2019, whose gross monthly salary is \$5,000

Monthly Salary \$5,000 - \$400 STRS/PERS - \$400 TSA - \$200 Medical Insurance Premium = \$4,000 divided by 2 = \$2,000 ESA gross

The ESA gross amount, less taxes, will equal your net pay issued on the 25th of the month. The 25th ESA gross \$2,000 - \$400 Federal/State Tax - \$153 OASDI/Medicare = \$1,447 net pay

Calculation Earned Salary Advance (ESA) Pay, January 25, 2019
(Earnings Pay Period 1/1/2019 - 1/31/2019)

Monthly Salary	\$5,000.00
<u>Scheduled</u> Pre-Tax reductions for February 10, 2019:	
STRS/PERS Retirement	-\$400.00
Tax Shelter Annuity	-\$400.00
Medical/Dental Insurance Premium	-\$200.00
*Projected Gross Salary	\$4,000.00
ESA Gross Pay (*Projected Gross Salary divide by two)	\$2,000.00
Less Taxes (Federal, State, Social Security, Medicare)	-\$553.00
ESA Net Pay January 25, 2019	\$1,447.00

SANTA MONICA COLLEGE & LOS ANGELES COUNTY OFFICE OF EDUCATION
How To Read Your Paycheck Guide

5. How is my monthly salary pay on the 10th calculated?

The payroll system takes your gross monthly salary, less the Earned Salary Advance (ESA, advanced to you on the 25th of the previous month), subtracts the actual pre-tax reductions, minus taxes and other voluntary deductions to arrive at your net 10th pay.

Continue sample of Monthly Salary Employee working January 2019, whose gross monthly salary is \$5,000.

Monthly gross salary \$5,000 - \$2,000 ESA - \$400 STRS/PERS - \$400 TSA - \$200 Medical Insurance Premium - \$250 Federal/State Tax - \$214 OASDI/Medicare - \$86 Union Dues - \$100 Credit Union = \$1,350 net pay

Calculation Monthly Salary Pay, February 10, 2019
(Earnings Pay Period 1/1/2019 - 1/31/2019)

Gross Monthly Salary for January 2019 Earnings Pay Period	\$5,000.00
Less ESA Gross (January 25, 2019)	-\$2,000.00
Less <u>Actual</u> Pre-Tax Reductions for February 10, 2019	
STRS/PERS Retirement	-\$400.00
Tax Shelter Annuity	-\$400.00
Medical/Dental Insurance Premium	-\$200.00
Less Taxes (Federal, State, Social Security, Medicare)	-\$464.00
Less Voluntary Deductions (After Taxes):	
Union Dues	-\$86.00
Credit Union	-\$100.00
Net Pay February 10, 2019	\$1,350.00

In this example, the employee's monthly salary for the January 2019 earnings period is \$5,000. Employee will receive an advance on January 25, 2019 in form of \$2,000 Earned Salary Advance (ESA) payment. On February 10, 2019, the employee's salary of \$5,000 is paid, less the \$2,000 advance received on January 25, 2019.

The employee's aggregate gross salary earnings for January 2019 is \$5,000 (\$2,000 from January 25, 2019 and \$3,000 from February 10, 2019) The employee's aggregate net pay for the January 2019 earnings period is \$2,797 (\$1,447 from January 25, 2019 and \$1,350 from February 10, 2019).