Payroll Deductions

ROWAN UNIVERSITY POLICY

Title: *Payroll Deductions*
Subject: *Payroll Services*
Policy No: *FIN: 2015:20*
Applies: *University-Wide*
Issuing Authority: *Senior Vice President for Finance and CFO*
Responsible Officer: *Payroll Director*
Adopted: *01/01/1993*
Last Revision: *11/01/2019*
Last Reviewed: *11/04/2022*

I. PURPOSE

The purpose of this policy is to outline how the University complies with federal and state regulations in processing payroll deductions.

II. ACCOUNTABILITY

Under direction of the Senior Vice President for Finance and CFO, the Payroll Director will implement and ensure compliance with this policy. The Payroll Director shall ensure all deductions are taken according to laws and current contracts and sent to all appropriate vendors on a weekly basis when payroll is complete.

III. APPLICABILITY

This policy applies to all Rowan University employees and students who receive payroll distributions.

IV. POLICY

1. Payroll Services processes mandatory deductions from employees' paychecks in compliance with governmental regulations and processes voluntary deductions in accordance with the employees' elections. These deductions include all applicable statutory tax deductions, but they are not limited to federal and state income tax withholding and FICA taxes.
2. All employee records are defaulted to pay New Jersey State taxes. Pennsylvania residents must complete a Non-Resident Form to terminate the New Jersey State taxes and activate the Pennsylvania State taxes.
3. Routine questions about tax deductions may be directed to the Payroll office. Advice on tax withholding strategies, however, should be discussed with a personal accountant or financial planner/advisor.
4. Students are not subject to FICA taxes when enrolled in 6 or more credit hours during the fall and spring semesters and 6 or more credit hours during the summer semester.
5. Payroll Services is responsible for tax payments and deposits arising from salary and wage payments and for associated tax reports.

V. ATTACHMENT

1. Attachment 1- Deductions

ATTACHMENT 1

DEDUCTIONS

Mandatory deductions include:

- Federal and state income taxes (based on an individual's W-4 filing status; W-4 filing status may be changed at any time by filing a new W-4 form with the Payroll office);
- Social Security taxes;
- Medicare taxes; and, Additional Medicare taxes on wages over $200,000.
- Local taxes (Philadelphia taxes for residents)

Pre-tax deductions are available for:

- Medical and dental insurance;
- A reimbursement account for medical and dental expenses not covered by insurance (medical expense reimbursement account)(Flex Spending, HSA;
- Supplemental retirement savings (SRA),(SACT) (tax deferred);
- A dependent care expense reimbursement account (Flex Spending); and,
- Parking and Transit deductions

Optional after-tax deductions are available for:

- Extra life insurance for employee and/or spouse;
- Contributions to the United Way, Employee charitable campaign;
- Contributions to the Rowan Foundation; and,
- Fitness Center.
- 427 Roth 457 After tax