

SECTION 5.04 – BENEFITS AND DEDUCTIONS

Contact: Payroll @ Extension 4160 or Human Resources @ Extension 4100

A. **Overview**

Each employee has a number of deductions and benefits, which are paid by the employer and the employee. These deductions and benefits can be either be a mandatory deduction, a permissive deduction or an involuntary deduction.

B. **References**

Collective Bargaining Agreements [Policy/Procedure – Series 5000](#)

[RCW 28A.405.410](#)

[RCW 28A.400.200](#)

[RCW 28A.400.285](#)

[RCW 28A.400.275](#)

[RCW 28A.400.270](#)

[RCW 28A.400.280](#)

[RCW 6.27.150](#)

[RCW 6.27.040](#)

C. **Mandatory Benefits**

Mandatory benefits are those required by a governmental agency for an individual employee and are most often computed as a percentage of gross pay.

Mandatory benefits are:

- Social security tax
- Medicare tax
- Federal income tax (FIT)
- Workers compensation (Labor and Industries) – Based on hours x rate
- Retirement (TRS1, TRS2, TRS3, PERS1, SERS2, SERS3)
- Unemployment tax

D. **Mandatory Benefit Forms**

W-4 Form: The purpose of the completed [W-4 form](#) is so payroll can withhold the correct federal income tax from your pay. Because an employee's tax situation may change, employees may want to refigure withholdings each year. Changes can be made by accessing the [Employee Online System](#).

- A [W-4 form](#) must be completed upon initial hire.
- Copies of the employee [W-4 form](#) and social security card are submitted to payroll for updates to the mandatory deduction information at the time of employment.
- If the form is not completed, we will default the withholding at single and claim zero (o) allowances, which is the highest rate.

- If the form is not correctly completed, the status will be defaulted until it is correctly completed and returned to payroll. Refunds are not issued.
- Changes to employee withholdings will be processed in the next available pay cycle, as indicated in Employee Online.
- W-4 changes supersede the previous [W-4 form](#).
- Employees can check their warrant or earnings statement to determine what they are claiming on their [W-4 form](#).
- Employees are encouraged to check their payroll deductions to ensure that the deduction amounts are what the employee anticipates it to be.

Retirement Member Information Form: This form is for newly hired or rehired employees. This form includes the employee social security number, employee name, retirement system and plan and contribution rate selection and investment program selection for Plan 3 members. Plan 3 members have 90 days to complete and return this form to payroll.

Retirement Status Form: This form is distributed to all new hired employee's which include substitutes, student workers, coaches, and games- management staff. The intent of this form is to identify those people (including substitutes) that are retired from one of the Washington State Retirement Systems. The completed form should be sent to payroll.

E. Permissive Benefits

Permissive deductions are payments elected by the employee or group of employees. Permissive benefits include:

- Medical insurance
- Dental insurance
- Long term disability insurance
- Life insurance
- Short term disability insurance
- Union dues
- Deferred compensation program (DCP)
- Tax sheltered annuities
- United Way
- College pre-paid tuition (GET Program)
- Other voluntary payments

F. Involuntary Deductions

The courts, federal or state governments mandate involuntary deductions. Upon receipt of formal documentation, payroll is required by law to deduct funds as directed by the agency.

The types of deductions, which may be mandated, include:

- Garnishments
- Child support (in state/out of state)
- Educational /student loans
- Chapter 13 – bankruptcy
- Labor and Industry liens
- Office of Financial Recovery
- Internal Revenue Service levy
- Department of Revenue liens
- Employment security liens

If an employee has questions regarding an involuntary deduction, have them contact the payroll manager, the agency responsible for the deduction or refer them to the legal document they received from the agency. Payroll is required by law to deduct funds as directed by the agency.