

# Appendix H—Deduction descriptions

## About Appendix H

The table in this appendix lists the abbreviations and descriptions of deductions that appear *on employees' pay statements*.

**Note:** If the abbreviation that appears on the statement is different than the abbreviation on Report 10, the difference is noted in the description column.

The City-paid contributions to employees' fringe benefits that appear *on Report 10 but not on the pay statement* are also included.

**Note:** These employer-paid contributions are included in this appendix because they are considered "memo" deductions.

This table appears in the following two forms:

- Deductions listed *by abbreviation* with descriptions, page 12:1-02
- Deductions listed *by deduction number* without descriptions, page 12:1-08

**Deductions listed by abbreviation**

<b>Deduction Abbreviation</b>	<b>PPSD Ded. No.</b>	<b>Description</b>
CAF DENT	10	Cafeteria Plan dental insurance deduction. This is a “pre-tax” deduction for eligible employees on a City or PERS dental plan. This deduction is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
CAF DISB	13	Cafeteria Plan disability insurance deduction. This is a “pre-tax” deduction for certain eligible employees that is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
CAF HLTH	6	Cafeteria Plan health insurance deduction. This is a “pre-tax” deduction for eligible employees that is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
CHARITY1	46	A deduction for one or more of the charitable organizations that participate in the City’s annual Combined Charities Fundraising Campaign.
CHCK DEP	70	Direct deposit to a checking account. The amount is the employee’s net pay. This net pay was automatically deposited to a checking account via the City’s Direct Deposit payroll option.
CTY DENT	63	Dental plan for eligible employees that is paid entirely by the City. Does not appear on the pay statement.
CMTR CHK	50	Commuter Benefit. This is a “pre-tax” deduction that allows an employee to deduct up to \$30.00 per pay period for the purchase of commuter checks. A third party vendor administers this benefit. This deduction is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
CRED UN1 CRED UN2 CRED UN3	37 38 39	Credit union deduction(s). The Payroll System supports up to three credit union deductions per employee.

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Deductions listed by abbreviation

Deduction Abbreviation	PPSD Ded. No.	Description
CTY LTD	59	CTY LTD is a city paid benefit for long term disability that is handled by the Health Service System. This benefit is for all members of Local 21 and SEIU Local 250, 535 and 790 who qualify in the Health Service System and are eligible for coverage. This deduction is not on the pay statement.
DEF COMP	31	Deferred Compensation deduction. This is a City-sponsored tax-deferred plan administered by the Retirement Board through Etna Insurance Company. It is a "pre-tax" deduction that is taken before federal and state income taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
DI	na	State Disability Insurance tax deduction. A deduction for classifications that are covered by State Disability Insurance. Appears on the pay statement as "SDI."
EE BOND1 EE BOND2 EE BOND3	33 34 35	U.S. Double-E savings bond deduction(s) toward the purchase of U.S. Savings bonds. The Payroll System supports up to three such deductions per employee.
FED TAX	na	Federal income tax deduction. Appears as "FEDERAL TAX" on Report 10.
FLEX HSS	60	FLEX HSS is a city paid Flexible Health Service System benefit for Municipal Executive Association and some Court classes of represented employees, and it is managed by the Health Service System. This deduction is not on the pay statement.
FLEX TPA	61	FLEX TPA is a city paid flexible benefit for Municipal Executive Association and some Court classes of represented employees, and it is managed by a third party administrator. This deduction is not on the pay statement.
GARNISH1 GARNISH2 GARNISH3 GARNISH4 GARNISH5 GARNISH6	14 15 16 17 18 19	Garnishment or wage assignment deduction(s). A deduction that occurs when the City receives an order to garnish or assign an employee's wages from an agency empowered to issue this type of order. The Payroll System supports up to six such deductions per employee.

**Appendix H—Deduction descriptions**

Deductions listed by abbreviation

<b>Deduction Abbreviation</b>	<b>PPSD Ded. No.</b>	<b>Description</b>
HEALTH	8	Health insurance deduction for one of the City or PERS plans. This is a post-tax deduction.
HI	na	Medicare deduction mandated by FICA.
HSS PKUP	68	City "pickup" of a portion of the Health Service System expense formerly paid by the employee. This deduction is not displayed on the pay statement.
HSS SHAR	65	City's share of "Health Service System" insurance. (The Health Service System administers the City plans.) Does not appear on the pay statement.
IRS LEVY	67	This deduction name is used for IRS levy deductions that have been calculated according to the standard method. Some employees arrange to have a fixed amount deducted instead of an amount that has been calculated using the standard method. These employees' IRS levy deductions will continue to appear as GARNISH1 through GARNISH6 as they do currently.
JURY DED	21	Jury duty deduction. A deduction used by the City to recover money paid by the courts to an employee for serving as a juror.
MAINTEN	22	Maintenance deduction. A deduction used by the City to recover board and lodging expenses and to collect unpaid FICA taxes.
MISCEL-1 MISCEL-2 MISCEL-3	52 53 54	Miscellaneous deduction.
OASDI	na	This is the Social Security withholding, otherwise known as Old Age Survivors Disability Insurance.
OFFSET	44	Offset deduction. Used to recover money owed to the City because of an offset by the Controller.
PERS DNT	9	PERS Dental benefit is provided to all prior Department of Mental Health employees covered by the transfer agreement in 1987 who are now employed or are retired from City and County employment.

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Deductions listed by abbreviation

Deduction Abbreviation	PPSD Ded. No.	Description
PRTX COR	41	“Pre-tax” correction. Used when a pre-tax retirement under-deduction is being recovered.
PRTX RET	44	“Pre-tax” retirement deduction. This deduction is taken before federal and state income taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld. <b>Note:</b> Most employees’ retirement is paid by the City. PRTX RET applies only to a few employees.
PTX DECP	20	“Pre-tax” dependent care deduction. A deduction for employees who are participating in the Dependent Care Assistance Program (DCAP). This deduction is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
PTAX PLS	4	“Pre-tax” retirement plus pension deduction. A deduction for employees who are exercising their right increasing benefits by “buy back” service credit or payback shortages on a pretax basis through a contract (meaning that they can’t change it unless member dies, retires or is terminated for another reason).
PTAX RET	3	“Pre-tax” retirement deduction. The retirement deduction for employees covered by the Judges Retirement System (JRS). This deduction is taken before federal and state income taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
PTX MISC	49	PTX MISC is a “pre-tax” employee paid Flex Benefits for Municipal Executive Association and some Court classes. This deduction is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.
PTX REMB	7	PTX REMB is a Health Service, “pre-tax” medical expense reimbursement program deduction. This deduction is taken before federal, state, Social Security and SDI taxes are calculated. Therefore, taxable gross earnings are lowered and less tax is withheld.

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Deductions listed by abbreviation

<b>Deduction Abbreviation</b>	<b>PPSD Ded. No.</b>	<b>Description</b>
RET PKUP	58	The City “pickup” of all of the Retirement expense formerly paid by the employee. This deduction is not on the pay statement.
RET PLUS	2	A deduction for City plan employees who are exercising their right to “buy back” retirement benefits for prior service and for PERS plan employees who have opted for survivors’ benefits coverage. This kind of retirement deduction is <u>not</u> “pretax.”
RET SHAR	64	City’s share of retirement. This deduction abbreviation is used for the City’s contribution to all of the retirement plans. This deduction does not appear on the pay statement.
RETIREMT	1	“Post-tax” retirement deduction. The retirement deduction for employees who are covered by one of the City plans or PERS retirement plan who have not elected to have their deduction be “pre-tax.”
SAVE DEP	69	Direct deposit to a savings account. The amount is the employee’s net pay, which was automatically deposited to a savings account via the City’s Direct Deposit payroll options.
SDI	na	State Disability Insurance tax deduction. A deduction for employees in classifications that are covered by State Disability Insurance. (SDI is not paid by the employer.) Appears as “DI” on Report 10.
SERV FEE	11	Service fee deduction. A deduction paid by employees in classifications covered by agency shop agreements who choose <u>not</u> to become members of the representing unions. This fee deduction applies only to employees who are not exempted.
ST TAX	na	State income tax deduction. Appears as “STATE TAX” on Report 10.
UN DUES	12	Union dues paid by employees whose classifications are covered by agency shop agreements that have chosen to become members of the representing unions.
VOL DUE1 VOL DUE2	42 43	Voluntary union dues (unrelated to agency shop agreements).

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Deductions listed by abbreviation

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<b>Deduction Abbreviation</b>	<b>PPSD Ded. No.</b>	<b>Description</b>
VOL INS1	23	Voluntary insurance deduction(s) for life insurance, disability insurance, etc. The Payroll System supports up to seven such deductions per employee.
VOL INS2	24	
VOL INS3	25	
VOL INS4	26	
VOL INS5	27	
VOL INS6	28	
VOL INS7	29	

**Appendix H—Deduction descriptions**

Deductions listed by Deduction Number

**Deductions listed by Deduction Number**

PPSD Ded. No.	Deduction Abbreviation
1	RETIREMT
2	RET PLUS
3	PTAX RET
4	PTAX PLS
6	CAF HLTH
7	PTX REMB
8	HEALTH
9	PERS DNT
10	CAF DENT
11	SERV FEE
12	UN DUES
13	CAF DISB
14	GARNISH1
15	GARNISH2
16	GARNISH3
17	GARNISH4
18	GARNISH5
19	GARNISH6
20	PTX DECP
21	JURY DED
22	MAINTEN

PPSD Ded. No.	Deduction Abbreviation
23	VOL INS1
24	VOL INS2
25	VOL INS3
26	VOL INS4
27	VOL INS5
28	VOL INS6
29	VOL INS7
30	RET ADDT
31	DEF COMP
33	EE BOND1
34	EE BOND2
35	EE BOND3
36	ATTY FEE
37	CRED UN1
38	CRED UN2
39	CRED UN3
41	PRTX COR
42	VOL DUE1
43	VOL DUE2
44	OFFSET
44	PRTX RET
45	DCP ADMF
46	CHARITY1
49	PTX MISC
50	CMTR CHK



<b>PPSD Ded. No.</b>	<b>Deduction Abbreviation</b>
52	MISCEL-1
53	MISCEL-2
54	MISCEL-3
55	MISCEL-4
58	RET PKUP
59	CTY LTD
60	FLEX HSS
61	FLEX TPA
63	CTY DENT
64	RET SHAR
65	HSS SHAR
67	IRS LEVY
68	HSS PKUP
69	SAVE DEP
70	CHCK DEP
na	DI
na	FED TAX
na	HI
na	OASDI
na	SDI
na	ST TAX

## Changes to Deduction Descriptions

This Bulletin affects **Payroll Offices** only. This procedure updates your *Procedures Manual, Appendix H—Deduction Descriptions*.

### Deduction Names and Descriptions

Two deduction descriptions abbreviations have been changed, as described below. The changes will appear on employee pay stubs and Report 10 beginning July 29, 2003.

- **TRNS BEN**

This is a new deduction description abbreviation. This amount is the employee's pre-tax deduction to pay for transit and vanpool expenses. Employees may deduct up to \$100 per month.

**Note:** **TRNS BEN** previously appeared as **CMTR CHK**

The Calendar Year-to-Date (YTD) amount for **TRNS BEN** will include the amount withheld under **CMTR CHECK** between January and June 2003, as well as withholdings for **TRNS BEN**.

- **MISCEL-4**

This is the post-tax deduction that allows those who need more than \$100 per month in transit expenses to withhold the additional amount they require.

### File This Bulletin

Please file this Bulletin in your *Payroll/Personnel Procedures Manual, Appendix H—Deduction descriptions*. Please add this Bulletin at the end of *Appendix H*.

### Questions

If you have questions, please see your Payroll Supervisor. Payroll Supervisors who have questions should contact Estelle Apps at 558-7818 or Donald Mayeda at 558-7876.