FISCAL MANAGEMENT

PAYROLL DEDUCTIONS

1. **Federal Income Tax - All Personnel**
   
   All employees must file with the Payroll Office a Federal Withholding Tax Form W-4. The amount of federal income tax to be withheld is determined by the allowances claimed by employees on this form.

2. **Michigan State Income Tax - All Personnel**
   
   All employees must file with the Payroll Office a State Withholding Tax Form W-4. The amount of state income tax to be withheld is determined by the allowances claimed by employees on this form.

3. **Social Security - All Personnel**
   
   Deductions for contributions to social security for all employees, regardless of age, applies to a base wage at a set rate as prescribed by legislation on a yearly basis. Exemptions also vary on a yearly basis and will be applied in accordance with current legislation.

4. **Health, Life, Income Protection Insurance**
   
   Health, life, or income protection insurance is provided by the district according to negotiated agreements. Employees who are eligible for partial premium subsidy or are not eligible at all will pay for the balance of coverage or all of the benefit through payroll deductions. These deductions will be made on a bi-monthly basis. If at any time paycheck funds are unavailable for deduction, the employee must remit the premium by check or cash to the Business Office.

5. **Charitable Organizations**

   Deductions for charitable organizations will be made from a person’s salary in accordance to their request. Deductions will be set up to accommodate the Payroll Office for an annual election.
6. **Direct Deposit**

   Direct deposit of compensation will be made available to all employees in accordance with current governmental regulations for deposit into authorized banking institutions.

7. **Deferred Compensation Plans**

   The Board of Education may participate in the purchase of non-Michigan Public School Employees Retirement System Deferred Compensation plans for its employees as provided in the Internal Revenue Code. Examples of these plans are 403(B) and 457 contracts. It shall be the responsibility of the Administration to develop satisfactory operating procedures and guidelines to adequately administer such a program.

8. **Personal Insurance Available through Payroll Deduction**

   Deductions will be made from a person's compensation in accordance to their request for personal insurance through authorized companies. Such companies must have a minimum of twenty employees requesting such a deduction in order to secure Board approval.

**Legal Reference**

The School Code of 1976, Section 280.1255, As Amended

(1) In the process of establishing salaries or determining other working conditions, the board of a school district or the board of a local act school district may use general funds of the school district to provide other related benefits of an economic nature on a joint participating or nonparticipating basis with school employees for employees of the school district.

(2) The board may provide payroll deduction programs at the request of an employee.

**POLICY APPROVED:** August 4, 1970

**POLICY REVISED:**
- December 10, 1984
- November 18, 2002
- October 12, 2015
- August 27, 2018