

PAYROLL ACCOUNTING GUIDELINES

- A. Employee salary and wages will be paid in a specially designed format showing all deductions in detail, which can be viewed by the employee in Skyward Employee Access.

B. LEGAL DEDUCTIONS

1. Federal Income Tax Withholding

All employees' earnings are subject to the current legal deductions for federal income tax, social security tax, and Medicare tax. Exemptions with federal taxes are indicated by the latest Form W-4 signed and filed by the employee.

Federal/Social Security/Medicare income taxes that are withheld from employees must be paid to the U.S. government via the Electronic Federal Tax Payment System (EFTPS) not later than three days following the end of the pay period. A quarterly summary (Form 941) of all taxes deposited must be filed with the Internal Revenue Office not later than the end of the month following the end of the quarter. The Form W-2, Wage and Tax Statement, showing total wages earned and the taxes withheld for the calendar year must be furnished to each employee on or before the following January 31st.

2. State Income Tax Withholding

The earnings of all employees who are residents of the State of Wisconsin are subject to the current legal deductions for Wisconsin income taxes, with exemptions as shown on the latest Form W-4 or WT-4 signed and filed by the employee.

Earnings of legal residents of the State of Illinois, who have on file a current Form W-4 showing an Illinois address, shall not be subject to the Wisconsin income tax withholding requirement.

The State income tax withheld from employees must be deposited with the State depository bank on or before the last day of the month following the month for which the tax was withheld.

C. VOLUNTARY DEDUCTIONS

1. Tax Sheltered Annuities

The District will purchase tax sheltered annuities under the provisions of Section 403(b) of the Internal Revenue Code, when so directed in writing by the employee. The premiums shall be deducted from the employee's earnings. The amount of the deduction and the company may be chosen by the employee from a list of vendors designated by the District.

Requests for such a deduction or change in deductions will be recognized at only four times per calendar year. Changes in an employee's choice of vendor or the amount withheld from an employee's pay shall begin the first pay period, which begins after receipt by the District of a completed Salary Reduction Agreement unless otherwise noted by the employee.

2. Other Deductions

In accordance with current regulations, including direct deposit, an employee must specify all other deductions using a form supplied by the District.

CROSS REF.: Employee Handbook, Section 10

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