

# INTERPRETING THE PARTS OF A SAMPLE TEACHER PAY STUB

*See reverse for how to match a pay stub with the Negotiated Agreement's salary schedule*

Below is a sample pay stub for a teacher who:

- o teaches full-time and is in the MS+15 lane at step 18 under the 2007-2008 salary schedule
- o receives an extra-duty increment of \$2,730
- o participates in the district insurance, with a single Health Choice HI option and a Dental option
- o elected to have a Long-Term Disability benefit above the district minimum and to have \$300 diverted each month into an annuity

<b>Gross Salary Calculation for Pay Period 07091</b> (40808.40 /12) + (2730 /12)									
Sts/Exem S-1	Gross	Fwh	SwH	Fica/Med	RetDed	VolDed	Net	RetFringe	Tax-Wages
<b>Current:</b>	3,692.26	426.95	152.00	281.67	0.00	376.69	<b>2454.95</b>	191.91	3365.46
<b>Contract YTD:</b>	3,692.26	426.95	152.00	281.67					
<b>Calendar YTD:</b>	28,336.13	3,115.11	1,152.00	2,161.36					25,721.73
<b>Voluntary Deductions:</b> ***Note: Your Flex Benefit was used to offset (reduced) Deductions*** <b>Flex Benefit Amt: 364.24</b>									
D02 UNUM				10.49	D21 ANNUITY				300.00
CHE INS-C-HC-HIGH EMP ONLY C				364.24	T01 TEACHER RETIREMENT CONT				16.44
T38 YRS EXP 18 HB1873 STATE CO				-16.44	DEO DENTAL-HC EMP ONLY C				26.80
D08 OKLAHOMA EDUCATION ASSOCIATION				39.40					
<b>District Paid Fringes:</b>									
T01 FRINGE RETIREMENT				255.97	267 UNUM - LONG TERM DISABILI				4.83
260 METROPOLITAN LIFE				2.60	sof SALARY REIMBURSEMENT				-64.06

## HOW TO ARRIVE AT THE "Net" AMOUNT

The amount of the check or direct deposit is the first entry under "Net", which is arrived at by taking Gross (gross salary), subtracting Fwh and SwH (federal and state income tax withholding), subtracting Fica/Med (Social Security and Medicare payroll taxes), subtracting RetDed (which appears if the State Retirement Offset shown in the online salary schedule is less than the TRS contribution shown as "TEACHER RETIREMENT CONT"), and subtracting VolDed (voluntary deductions shown on the stub).

For the sample pay stub:

3,692.26 Gross  
 - 426.95 Fwh  
 - 152.00 SwH  
 - 281.67 Fica/Med  
 - 0.00 RetDed  
 - 376.69 VolDed\*  
 = 2454.95 Net

### \* HOW PLAN PARTICIPANTS CAN FIND THEIR STATE FLEXIBLE BENEFIT:

For teachers taking district insurance, the state flex benefit adjusts the VolDed amount. Adding up all of the non-retirement deductions listed in the lower lines of the stub and then subtracting the flex benefit yields VolDed. For the sample pay stub, non-retirement deductions add up to: 10.49+300.00+364.24+26.80+39.40 =740.93 Subtracting the state flexible benefit (364.24 for the sample stub) yields 740.93 – 364.24 = 376.69 and thus boosts the teacher's take-home pay.

## HOW TO GET Tax-Wages

Tax-Wages for income tax purposes is the gross salary minus non-taxable items such as retirement and annuity contributions and Section 125 deductions, with taxable amounts not in gross salary added back in, such as the state retirement offset and state flexible benefit.

For the sample pay stub:

3692.26 Gross  
 -16.44 TRS Contribution  
 -300.00 Annuity Contrib.  
 -364.24 Health Premium  
 -26.80 Dental Premium  
 +16.44 Retirement Offset  
 +364.24 Flexible Benefit\*  
 = 3365.46 Tax-Wages

## HOW TO GET Gross Salary

The Gross item is calculated by taking the usual amount for a certain step and lane in the salary schedule and dividing that by 12. Then any extra duty increments or stipends are added. Other adjustments to Gross that may not appear in the stub calculation summary are that teachers not taking district insurance will have their state flexible benefit taken as salary and thus added to Gross. Also, if the HB1873 offset (as shown in the online salary schedule) exceeds the TRS contribution, "sof SALARY REIMBURSEMENT" will appear as a fringe and be added into Gross.

The sample teacher received \$40,808.40 in salary spread out over 12 months plus a \$2730 increment spread out over 12 months (2730 / 12),. Additionally, the 64.06 for "sof SALARY REIMBURSEMENT" was added to arrive at the gross salary.

## Voluntary Deductions:

For the sample teacher, deductions are a \$10.49 UNUM charge for optional increased disability coverage, a \$300 contribution to an annuity, a \$364.24 deduction for an employee-only Health Choice HI option health premium offset by \$364.24 for the state flexible benefit allowance, a \$16.44 teacher retirement contribution which is then offset by a \$16.44 credit due to House Bill 1873, and then a \$26.80 deduction for dental coverage.

## District Paid Fringes:

The sample teacher's fringes are a \$255.97 employee retirement contribution paid for by the district, \$64.06 for salary reimbursement since the state retirement offset exceeds the TRS contribution, \$4.83 for the basic long-term disability coverage, and \$2.60 for life insurance (that amount changes to \$3.53 for those with spousal/dependent coverage).

# MATCHING THE NEGOTIATED SALARY SCHEDULE TO A SAMPLE TEACHER PAY STUB

See reverse for how to interpret the parts of a sample teacher pay stub

Below is a sample pay stub for a teacher who:

- o teaches full-time and is in the MS+15 lane at step 18 under the 2007-2008 schedule
- o receives an extra-duty increment of \$2,730
- o participates in the district insurance, with a single Health Choice HI option and a Dental option
- o elected to have a Long-Term Disability benefit above the district minimum and to have \$300 diverted each month into an annuity

Gross Salary Calculation for Pay Period 06091 (40808.40 /12) + (2730/12)									
Sts/Exem S-1	Gross	Fwh	Swh	Fica/Med	RetDed	VolDed	Net	RetFringe	Tax-Wages
<b>Current:</b>	3,692.26	426.95	152.00	281.67	0.00	376.69	<b>2454.95</b>	191.91	3365.46
<b>Contract YTD:</b>	3,692.26	426.95	152.00	281.67					
<b>Calendar YTD:</b>	28,336.13	3,115.11	1,152.00	2,161.36					25,721.73
<b>Voluntary Deductions:</b> ***Note: Your Flex Benefit was used to offset (reduced) Deductions*** <b>Flex Benefit Amt: 364.24</b>									
D02 UNUM				10.49	D21 ANNUITY				300.00
CHE INS-C-HC-HIGH EMP ONLY C				364.24	T01 TEACHER RETIREMENT CONT				16.44
T38 YRS EXP 18 HB1873 STATE CO				-16.44	DEO DENTAL-HC EMP ONLY C				26.80
D08 OKLAHOMA EDUCATION ASSOICATION				39.40					
<b>District Paid Fringes:</b>									
T01 FRINGE RETIREMENT				255.97	267 UNUM - LONG TERM DISABILI				4.83
260 METROPOLITAN LIFE				2.60	sof SALARY REIMBURSEMENT				-64.06

THE RELEVANT LINES FROM THE NEGOTIATED SALARY SCHEDULE (an updated 2007-08 schedule is online at <http://www.bps-ok.org/bea>)

Year	Salary	District Paid Retirement	TOTAL SALARY	District Paid Long Term Disability	District Paid Group Life Ins.*	Total District Compensation
18	\$40,808.40	\$3,071.60	\$43,880.00	\$57.96	\$31.20	\$43,969.16

## FINDING THE SALARY SCHEDULE AMOUNTS IN THE PAY STUB

How do we match this up to the pay stub? The salary of \$40,808.40 shows up in the Gross Salary Calculation, divided by 12 to get a monthly rate. (The added term in the sample pay stub's gross salary calculation is an extra duty increment) The \$3,071.60 District Paid Retirement is divided by 12 to show up as the \$255.97 FRINGE RETIREMENT item in the sample pay stub, while "RetFringe" is calculated by taking that \$255.97 and subtracting the \$64.06 SALARY REIMBURSEMENT. The \$57.96 for long-term disability is divided by 12 to show up as a \$4.83 fringe. The \$31.20 life insurance is divided by 12 to show up as a \$2.60 fringe (\*NOTE that the life insurance fringe changes to \$3.53 per month for those with spouse/dependent coverage).

## SHOW ME THE MONEY – WHERE IS MY STATE FLEXIBLE BENEFIT?

Teachers NOT participating in the state health insurance plan will receive the state flexible benefit as \$69.71 per month of additional taxable salary throughout the 2007-08 school year, and that amount will be added into the Gross figure.

Teachers who participate in the plan will receive \$364.24 per month during Fall 2007. But where is that money in the pay stub? As the sample stub says, "Your Flex Benefit was used to offset (reduced) Deductions." This means that the VolDed amount, which affects the Net pay, has been adjusted. Adding up all of the non-retirement deductions listed in the lower lines of the stub and then subtracting the state flexible benefit yields the VolDed amount. For the sample pay stub, non-retirement deductions add up as follows: 10.49+300.00+364.24+26.80+39.40 = 740.93; then one increases the take-home pay by subtracting the state flexible benefit (\$364.24 for the sample stub) to obtain 740.93 – 364.24 = 376.69