

Partial Payments

Partial payments are issued upon the request of employees who did not receive payment on their regularly scheduled pay date due to delayed personnel documents or other extenuating circumstances. The partial payment amount will be 60% (rounded) of the employee's gross pay for the missed period, as that is representative of the average amount of net pay for the majority of employees. The retained 40% allows for statutory deductions such as federal, state and FICA tax withholding and retirement contributions, as well as voluntary deductions such as insurance, tax sheltered annuities, United Way, etc. that the employee may select. No deductions are taken from the 60% partial payment when it is issued and the payment is not yet included in taxable earnings.

Partial payments will be issued for wages already earned and due to be paid and cannot be issued as an advance of wages not yet earned. Partial payments will be issued for regular earnings, not for payments such as additional compensation or delayed merit increases.

Partial payments will be made via direct deposit with settlement to the employee's account typically within two business days after approval in accordance with ACH regulations. Typically partials are issued the day they are requested and approved provided that both the approval and request occur before 3:00pm.

Once a partial payment has been issued it then has to be included in a future paycheck to include the amount in taxable earnings so that the employee is taxed appropriately. This typically occurs on the next payroll run for the employee. For example, an employee missed the August Salary payroll run but was due to receive a gross amount of \$5,000 (their monthly salary). A partial payment of \$3,000 was issued to the employee. When the employee is paid in September their gross amount will be \$10,000 (\$5,000 x 2) and their deductions will include the deductions from August and September. The amount of the net pay already received via partial payment for the missed pay period will then be deducted from the actual payment and will be listed at the bottom of the pay slip for reference.

In some cases employees may have an increase in their federal and state taxes due to the increase in their gross salary for the period processed. Tax withholdings follow the IRS tax tables which are based on amounts received for the current payroll run.