

Payroll-Related Questions Frequently Asked by Employees

Revised 12/5/2006

1. Which biweekly check does not have insurance deductions?

The “45” at the end of the wage voucher represents a third voucher in a month from which no insurance deductions are withheld except for Disability Insurance Deductions (code 16). There are only two “45” vouchers in a fiscal year. A third check **dated** in the month does not determine absence of insurance deductions. It is only the voucher number that determines the absence of insurance deductions.

2. How much taxes will be deducted based on how I complete my W-4 form?

Refer to Withholding Calculator at Website www.irs.gov/individuals.

3. How do I set up a payroll deduction for Campus Federal Credit Union?

There are forms available at the Credit Union and in the Payroll Office. These forms are not available on the Payroll Website since they are multi-part. Go to either office to establish a deduction but if loan amounts are involved, contact the Credit Union.

4. How do I change my name on my payroll and personnel records?

In all cases, an employee’s name on payroll and personnel records must match the name appearing on the social security card. For a contingent (transient), classified, or unclassified employee, the HRM Office at the employing campus must receive a copy of the employee’s social security card showing the name that will replace the current name on the system. For student and graduate assistant employees, the same info is needed but the social security card copy is sent directly to Payroll.

5. How do I set up an accounts receivable for my child’s tuition?

You may e-mail the Bursars Office @ bursar@lsu.edu or go to the Bursars Office and complete the appropriate form.

6. How or when do I file for Earned Income Credit?

Refer to the current calendar year’s W-5 form (available on Payroll’s Website or the IRS Website). Qualifying employees may receive advanced earned income credit during the year by submitting a W-5 form to Payroll, or the employee may receive the credit when filing their tax return.

7. What does it mean to claim exempt from Federal or State income taxes and how do I claim exempt?

To claim exempt from federal or state income tax means that you are claiming that you will not owe income taxes for the current calendar year. You may claim either or both exemptions for a whole or part of a calendar year. The exemption for federal and state withholding is only valid for one calendar year at a time and expires February 15th of the next calendar year. Each exemption must be renewed annually in order to continue the exempt status. A W-4 form is required for claiming exempt from federal withholding tax and cannot be used for claiming the state withholding exemption. A L-4E form is required for claiming exempt from state withholding tax. All tax withholding forms are available on Payroll’s Website.

8. What is the difference between an academic, fiscal, and biweekly (hourly) employee? How and when do these employees get paid?

Academic - GAs and academic employees with an academic year (9 month) contract. Ordinarily, an academic employee's appointment follows the academic year. The academic year begins with orientation and ends with graduation. Pay for academic employees is based on the number of actual work days in the academic year which excludes holidays, weekends and days between semesters. If a GA or academic employee begins his or her appointment after the start of the academic year, his/her total annual salary will be determined using the University academic completion tables.

Academic employees working for the entire academic year receive nine equal checks September through MayC four checks in the first semester and five checks in the second semester. Please realize that the January check is made up of half the monthly rate of pay for the first semester and half the monthly rate of pay for the second semester. Therefore, if an employee only works one semester, he/she will earn 50% of their annual salary. For employees who work the fall semester only, payment is received in four equal checks September through December. For spring semester only, payment is received in four equal checks February through May. The pay date for academic employees is the 21st of each month September through May. If the 21st falls on a weekend or holiday, payday is the last working day prior to the 21st.

Academic Withheld - Academic employees who have elected to have their salary paid to them over 12 months instead of nine months. The pay for academic withheld employees is determined in the same manner as regular academic employees. The salary for an academic withheld employee is paid over nine months with approximately 25% of the net check withheld as a payroll deduction. During the summer months of June, July and August, the accumulated deduction is refunded in three equal payments. The pay date for academic withheld employees is the last working day of the month, the same as fiscal unclassified employees.

Fiscal - Graduate Assistants (GAs) and fiscal employees with a fiscal (12 month) contract. Pay for fiscal employees is calculated based on the number of calendar days in the month. The pay date for fiscal employees is the last working day of the month.

Wage or Student Biweekly-Paid - Wage and student employees are paid on Friday that is one week after the pay period end date. Each week runs from Saturday through Friday, and overtime is calculated for all work hours over forty work hours in each week. Wage and Student pay periods begin and end on alternate weeks so Friday on one week is the Wage pay date and then the next Friday is the Student pay date. Please refer to the Payroll Schedule on Payroll's Website.

9. Where can I find my bank routing /ABA transit number?

This 9-digit number can be found at the bottom left-hand corner of your personal checks. It is the first set of numbers between the first two colons. The number identifies to the payroll and the banking systems the banking institution associated with your account number. The second set of numbers identifies the specific bank location and your account number. The third set of numbers is the specific check number. All of the numbers are very important because the computer programs and electronic files look at the specific numbers (in lieu of names) to determine exactly where the money should go. If you access your PAWS account under Financial Services and then under Direct Deposit, a diagram on the direct deposit form shows where your routing number is located.

10. When will my payroll earnings be direct deposited into my account?

To establish direct deposit of your earnings, submit the Direct Deposit Authorization form to Payroll at least one week before the payroll that you are paid from is run. Once your account is established, your money should be in your personal account the morning of your scheduled pay date. For supplemental payrolls, the money should be there the morning of that pay date. At all times, verify that the money is in your account, do not *assume* the deposit was made. Please be very careful if you establish direct deposit through PAWS. Ensure banking information is correct (see previous question) as the electronic bank files read bank numbers, **not** names.

11. When will my check be mailed if I do not have direct deposit?

Your check will be put in the mail (to your current payroll address on file) the morning of your scheduled pay date or the morning of the supplemental pay date. Please verify that your payroll address is correct to ensure receipt of your check or other important payroll documents. NOTE: Direct deposit is mandatory for all employees unless there's a valid reason not to participate.

12. What is the fringe amount deducted from my check?

Fringe benefit amounts are not deducted from your check. These are benefits, such as a University-provided vehicle or a University award, that are provided to you through the University or another entity. The amounts shown on your deposit ticket or check stub represent the value of the benefits that are included in taxable income and from which the appropriate taxes are withheld.

13. What will be the net amount of my check?

Go to Useful Links on Payroll's Website. Select Payroll Calculator and then select the Public Employee Calculator where you can determine the net amount of your check.

14. If I am a monthly-paid graduate assistant or salary employee, when am I going to be paid or receive my retro salary increase?

Employees should first check with their immediate supervisor. If the supervisor does not know for sure, the supervisor or the person in the department who is responsible for processing personnel and payroll forms should review the employee's personnel forms on the DTRN screen of the HRM System. The Salary Section of Payroll always records the specific pay amount, date, and specific payroll for the payment of the employee in the Remark segment of the personnel form associated with the payment in question. If the responsible person in the department cannot identify the payment, they should call the Salary section of Payroll.

15. What is the accounts receivable amount taken from my earnings?

This is an amount that you owe the University. You may e-mail the Bursars Office at bursar@lsu.edu if you have questions concerning an accounts receivable.

16. What are the tax sheltered deducts and how do I take advantage of these deductions?

There are many tax sheltered options available to LSU employees.

Tax Sheltered Retirements:

Louisiana State Retirement System (LASERS, deductions 021 and 136)

Teachers Retirement System of Louisiana (TRS, deduction 044)

Optional Retirement Systems (deductions 045, 046, 47)

Money Purchase Plan (deduction 049)

Deferred Compensation Plan (deduction 091)

School Employee Retirement System (deduction 135)

Cafeteria Plan - associated with Insurance deductions: Life, Health, & Dental Plan

Flexible Spending Plans - Dependent Care Deduction (118) and Medical Deduction (119)

Annuity Plans - 403(b)s (deductions 060-090,100-103) & 457s State of LA Def Comp(deduction 094).

Contact an employee in HRM's Benefits Section or an employee in Payroll's Disbursement Section for further information.

Parking - (deduction 099)

17. Are there other websites that provide helpful information about paychecks?

The American Payroll Association has an employee resource called My Paycheck and is available on-line at: <http://www.adp.com/my paycheck/>. The website provides information about income tax withholding, gross pay calculations, college savings plans, retirement savings plans, retirement savings plans and includes tips on how to better manage and maximize a paycheck.

Questions Pertaining to International Employees

18. As an employee from a foreign country, how am I being taxed?

The first criteria is if the employee is a resident or nonresident for tax purposes, which is based on length of stay in US, and visa status. Another factor is if the employee is from a country which has a tax treaty with the US. If so, a tax treaty application form must be submitted to Payroll. See IRS Publication 515 for details concerning nonresident alien taxation.

19. For tax purposes, what is the difference between a resident alien and a nonresident alien?

There are two distinct tax systems created under the Internal Revenue Code: the resident tax system and the nonresident-alien tax system. Resident aliens are taxed on their worldwide income, the same as U.S. citizens. Nonresident aliens are taxed only on their U.S. source income.

20. What is the substantial presence test?

The substantial presence test is the Internal Revenue Service's measure of whether an individual has been present in the U.S. long enough to qualify as a resident alien for tax purposes and, therefore, is subject to tax on his or her worldwide income. The substantial presence test is not used for immigration purposes

but to determine the federal tax status. An individual will be treated as a U.S. resident for tax purposes in the current year if he or she is physically present in the U.S. for at least 31 days during the current calendar year and a total of 183 days during a three-year period. The three-year period includes the current year and two years preceding the current year. In calculating the 183 days, the individual counts:

- the number of days in the U.S. during the current year and
- 1/3 of the number of days present in the U.S. during the first year preceding the current calendar year and
- 1/6 of the number of days present in the U.S. during the second year preceding the current calendar year.

If the result is 183 or greater, then the individual is a resident alien for tax purposes. The IRS requires that this test be performed each calendar year in order that an individual's Federal tax status can be adjusted to either a nonresident alien or to a resident alien.

21. Who is an exempt individual for tax purposes?

An exempt individual is one who qualifies to exclude days from the calculation under the substantial presence test and, as a result, extends the period of time before he or she will be considered a resident alien for tax purposes. In order to qualify as an exempt individual, the individual must be present in the U.S. temporarily and be in substantial compliance with the conditions of his or her visa. In addition, the individual must match one of the following profiles:

- The individual is present as a teacher/research/trainee or postdoctoral fellow on a J or Q visa who was present in the U.S. as a teacher, researcher, trainee, postdoctoral fellow, or student for no more than (any part of) two of the six preceding calendar years.
- The individual is present as a student on an F, M, J, or Q visa for no more than (any part of) five calendar years.

22. What is FICA?

The Federal Insurance Contributions Act (FICA) provides a system of Social Security and Medicare benefits through taxes on employers and employees. FICA taxes and benefits consist of two parts: Social Security or Old Age Survivors and Disability Insurance (OASDI) and Hospital Insurance for senior citizens and the disabled (Medicare).

23. Am I exempt from FICA tax withholding?

An individual can be exempt from FICA if he or she is:

- present in the U.S. under a F-1, J-1, M-1, or Q-1 visa, considered a nonresident alien, and
- performing services in accordance with the primary purpose of the visa's issuance
- Or a full time student.

Please note:

- Alien employees who hold F-1, J-1, M-1, or Q-1 visas, but are considered resident aliens for Federal tax purposes, are not eligible for the FICA exemption. However, students would be eligible for the

student FICA exemption if they are carrying the minimum course load.

- The spouse/dependents of the primary visa holder F-2, J-2, or M-2 are not eligible for the FICA tax exemption.

24. Why do I need a Social Security Number or an Individual Taxpayer Identification Number (ITIN)?

The resident or nonresident alien employed by the University must obtain a Social Security Number (SSN). Any individual not eligible to obtain a SSN must obtain an ITIN. The requirement to obtain an ITIN applies primarily to nonresident aliens who receive honoraria or other payments for independent contractor services or who are recipients of scholarship or fellowship payments. The SSN or ITIN is required on individual tax returns filed with tax authorities by the employee.

25. How may I obtain more information about my Federal and state tax status?

For more information on Federal tax status, contact the IRS at:

World Wide Web address: <http://www.irs.gov>
Phone: (800) 829-1040

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