

**Sample Paycheck:**

All JMU pre-tax deductions are exempt from the calculation of Federal and State taxes.

HOURS AND EARNINGS						TAXES		
Description	Rate	Current Hours	Earnings	Hours	YTD Earnings	Description	Current	YTD
Regular			1,539.46	2,088.00	35,644.42	Fed Withholding	154.33	3,596.47
Overtime			0.00	5.00	128.10	Fed MED/EE	20.95	491.25
						Fed OASDI/EE	89.58	2,100.52
						VA Withholding	61.70	1,435.24
<b>Total:</b>						<b>Total:</b>		
1,539.46 2,093.00 35,772.52						326.56 7,623.48		
BEFORE-TAX DEDUCTIONS			AFTER-TAX DEDUCTIONS			EMPLOYER PAID BENEFITS		
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD
Health Non Taxable	27.50	570.00	A & F Scholarship	2.00	48.00	Health Non Taxable	197.00	4,638.00
Valic TDA w/Match	60.00	1,440.00	JMU Flex Account	15.00	270.00	Group Term Life	15.39	339.74
Medical Reimbursement	65.00	1,260.00	Virginia Govt Employees Assoc	2.00	48.00	VRS Retirement	171.65	3,901.56
Vehicle Registration Fee	7.40	177.60				Retiree Health Care Credit - JMU	18.47	404.62
						VA Sick Leave and Disability	30.79	673.88
						Imputed Life*	5.16	114.38
						Valic TDA w/Match	20.00	480.00
<b>Total:</b>			<b>Total:</b>			<b>Total:</b>		
159.90 3,447.60			19.00 366.00			* Taxable		
TOTAL GROSS		FED TAXABLE GROSS		TOTAL TAXES		TOTAL DEDUCTIONS		NET PAY
Current:	1,539.46		1,384.72		326.56		178.90	1,034.00
YTD:	35,772.52		32,439.30		7,623.48		3,813.60	24,335.44
PTO HOURS		YTD						
Start Balance:		0.0						
+ Earned:								
+ Bought:								
- Taken:								
- Sold:								
+ Adjustments:								
End Balance:		0.0						
<b>NET PAY DISTRIBUTION</b>								
Advice #000000001195324								1,034.00
<b>Total:</b>								1,034.00

\*\*Imputed Life is a taxable benefit. This amount is added to gross earnings before the calculation of Federal, State and FICA taxes are completed. This is not a deduction.

**Sample W-2 Info:**

Box	Description	State	Locality	Locality Name	W-2 Amount
01	Wages,tips,other compensation				32439.30
02	Fed/terr income tax withheld				3596.47
03	Social Security wages				33879.30
04	Social Security tax withheld				2100.52
05	Medicare wages and tips				33879.30
06	Medicare tax withheld				491.25
12C	Group term life				114.38
12E	403(b)				1440.00
14Z	Hlth Premiums Non Taxed				570.00
16	State wages, tips, etc.	VA			32439.30
17	State income tax	VA			1435.24

Boxes 01 and 16 display your Federal and State taxable gross income on your W-2.

Boxes 03 and 05 display your FICA taxable gross income on your W-2.

## How to reconcile your last paycheck to your W-2

All pre-tax deductions are EXEMPT from Federal and State taxes.

Five of the pre-tax deductions are also EXEMPT from FICA taxes:

- Vehicle Registration
- AFLAC
- BC/BS Premium Conversion (i.e. Health Insurance)
- Medical Flexible Account
- Dependant/Child Care Flexible Account

These pre-tax deductions are SUBJECT to FICA taxes:

- 403B/Tax Deferred Annuity/457 Account
- Retirement Buy Back
- VRS Employee Retirement Portion (5%)...VRSRET/VRSEMP

Reference the chart below:

PRE TAX DEDUCTION	SOCIAL SECURITY (FICA)	FEDERAL TAX	STATE TAX
403b/TDA 457 Def Comp		EXEMPT	EXEMPT
RETIREMENT BUY BACK		EXEMPT	EXEMPT
VRS EE Retirement		EXEMPT	EXEMPT
VEHICLE REGISTRATION	EXEMPT	EXEMPT	EXEMPT
AFLAC	EXEMPT	EXEMPT	EXEMPT
BC/BS PREMIUM CONVERSION	EXEMPT	EXEMPT	EXEMPT
MEDICAL FLEXIBLE ACCOUNT	EXEMPT	EXEMPT	EXEMPT
CHILD CARE FLEXIBLE ACCOUNT	EXEMPT	EXEMPT	EXEMPT

These three pre-tax deductions are **NOT** exempt from FICA tax.

**\*\*Imputed Life** is a term used in relation to any form of Group Life Insurance that is **provided by the employer at no cost to the employees**. If the amount of the Life Insurance provided is greater than \$50,000, then the IRS considers this as a taxable benefit to you, the employee.

Commonwealth of Virginia employee’s life insurance amount is computed by taking their annual salary and rounding up to the nearest \$1000.00 then doubling that amount. For example if your annual salary is \$23,282.00 then the amount of Group Life insurance you have would be \$24,000 X 2 or \$48,000 which is below the \$50,000 limit so imputed life would not be a factor. But if the annual salary is \$25,001 or greater then imputed life becomes a factor. \$25,001 would be rounded to \$26,000 then doubled for \$52,000 worth of Group Life Insurance, which according to the IRS is now a taxable benefit.

Once your life insurance amount goes over \$50,000 the IRS has developed a table based on your age and the dollar amount per \$1000.00 that is over the \$50,000 limit. On your JMU paycheck under “Employer Paid Benefits” you will see the descriptor Imputed Life and an amount. The figure shown is not what has been deducted from your check; it is the amount that has been added to your gross income solely for the purpose of calculating the Social Security (FICA), Federal and State tax that is owed for that benefit.

**Calculating Federal and State Taxable Gross Earnings:**

YTD Gross Earnings minus YTD pre-tax deduction amounts plus Imputed Life = Federal and State taxable gross income reported in Box 01 and 16 of your W-2.

These pre-tax deductions were taken from the sample paycheck above.

\$35,772.52	YTD Gross Earnings	
\$ (570.00)	YTD Health	
\$ (1,440.00)	YTD Valic TDA	
\$ (1,260.00)	YTD Medical FSA	
\$ (177.60)	YTD Vehicle Registration	
\$ 114.38	Imputed Life	
<hr style="border: none; border-top: 1px solid black;"/>		
<u>\$32,439.30</u>	Federal and State Taxable Gross	

**Calculating Social Security and Medicare (FICA) Taxable Earnings:**

\$35,772.52	YTD Gross Earnings
\$ (570.00)	YTD Health
\$ (1,260.00)	YTD Medical FSA
\$ (177.60)	YTD Vehicle Registration
\$ 114.38	Imputed Life
<hr style="border: none; border-top: 1px solid black;"/>	
<u>\$33,879.30</u>	FICA Taxable Earnings (Box 01 and 03 of your W-2)

**NOTE:** The \$1,440 Valic TDA was not deducted in the FICA taxable earnings calculation because it IS NOT EXEMPT from FICA tax (reference the chart on the previous page).