

Payroll Deduction vs. Check payment when repaying a salary overpayment

REGULAR PAY:

Johns Hopkins Enterprise - School of Medicine

Employee Number 63668
 Pay Date 05/15/2008
 From - To 05/01/2008 - 05/15/2008
 Pay Period S1 09/2008

| Leave Type | Balance | Tax Information | Exemptions | Add'l tax | Payment Summary | Current | Ytd |
|------------|---------|------------------|------------|-----------|-----------------|----------|-----------|
| | | Federal | Single | 00 | Earnings | 4,537.50 | 44,872.28 |
| | | Maryland | Single | 00 | Taxes | 1,227.76 | 13,138.80 |
| | | Baltimore County | Single | 00 | Pre-Tax | 1,223.27 | 10,040.61 |
| | | | | | Post-Tax | 0.00 | 0.00 |
| | | | | | Net Pay | 2,086.47 | 21,692.84 |

| Type of Pay | PP End Date | Hours | Current | Ytd | Deductions | Current | Ytd |
|-------------------------|-------------|-------|----------|-----------|----------------------|---------|----------|
| EARNINGS/FELLOWSHIPS | | | | | TAXES | | |
| Salary | 05/15/2008 | 0.00 | 4,500.00 | 36,000.00 | Federal W/H | 654.56 | 7,291.10 |
| Flex-Benefit Credit | 05/15/2008 | 0.00 | 37.50 | 337.50 | Federal OAS | 205.55 | 2,640.06 |
| Overpayment Advance (T) | | | | 7,875.00 | Federal Med | 62.10 | 617.43 |
| SOM Perf Sup CY Flat | | | | 659.75 | Maryland W/H | 153.47 | 1,618.89 |
| | | | | | Baltimore County W/H | 92.08 | 971.32 |
| | | | | | PRE-TAX | | |
| | | | | | EMP Medical Classic | 44.46 | 400.14 |
| | | | | | BCBS Dental EE | 1.73 | 15.57 |
| | | | | | Dependent Care FSA | 208.34 | 1,874.98 |
| | | | | | Fac & Sr. Staff 403b | 968.74 | 7,749.92 |

| | Current | Ytd |
|----------------------|----------|-----------|
| Taxable Compensation | 3,314.23 | 34,831.64 |
| Social Security Base | 4,282.87 | 42,581.56 |
| Medicare Base | 4,282.97 | 42,581.56 |

The taxable compensation is the income minus any pre-tax deductions.

| | |
|----------------------|-------------------|
| Salary | 4,500.00 |
| Flex Credit | <u>37.50</u> |
| Total Earnings | 4,537.50 |
| Pre-Tax deductions | <u>(1,223.27)</u> |
| Taxable Compensation | 3,314.23 |

Taxes are then computed and withheld based on \$3,314.23; total taxes are \$1,227.76 for this pay.

PAY WITH PAYROLL DEDUCTION FOR OVERPAYMENT REPAYMENT

Remuneration Statement

Johns Hopkins Enterprise - School of Medicine Employee Number 63668
 Pay Date 05/30/2008
 From - To 05/16/2008 - 05/31/2008
 Pay Period 5/16/2008

| Leave Type | Balance | Tax Information | Exemptions | Add'l tax | Payment Summary | Current | Ytd |
|------------|---------|------------------|------------|-----------|-----------------|----------|-----------|
| | | Federal | Single | 00 | Earnings | 4,537.50 | 49,409.75 |
| | | Maryland | Single | 00 | Taxes | 1,001.36 | 14,149.16 |
| | | Baltimore County | Single | 00 | Pre-Tax | 1,785.76 | 11,826.37 |
| | | | | | Post-Tax | 0.00 | 0.00 |
| | | | | | Net Pay | 1,750.38 | 23,443.22 |

| Type of Pay | PP End Date | Hours | Current | Ytd | Deductions | Current | Ytd |
|-------------------------|-------------|-------|----------|-----------|----------------------|---------|----------|
| EARNINGS/FELLOWSHIPS | | | | | TAXES | | |
| Salary | 05/31/2008 | 0.00 | 4,500.00 | 40,500.00 | Federal W/H | 513.94 | 7,805.04 |
| Flex-Benefit Credit | 05/31/2008 | 0.00 | 37.50 | 375.00 | Federal OAS | 230.67 | 2,870.73 |
| Overpayment Advance (T) | | | | 7,875.00 | Federal Med | 53.95 | 671.38 |
| SOM Perf Sup CY Flat | | | | 659.75 | Maryland W/H | 126.75 | 1,745.64 |
| | | | | | Baltimore County W/H | 76.05 | 1,047.37 |
| | | | | | PRE-TAX | | |
| | | | | | EHP Medical Classic | 44.46 | 444.60 |
| | | | | | BCBS Dental EE | 1.73 | 17.30 |
| | | | | | Dependent Care FICA | 200.33 | 2,083.31 |
| | | | | | Fac & Sr. Staff 403b | 968.74 | 8,778.66 |
| | | | | | Overpayment Repaymen | 562.50 | 562.50 |

| Deposit Detail | Amount |
|----------------|----------|
| 446001910054 | 1,750.38 |

| | | |
|----------------------|----------|-----------|
| Taxable Compensation | 2,751.74 | 37,583.38 |
| Social Security Base | 3,720.48 | 46,302.04 |
| Medicare Base | 3,720.48 | 46,302.04 |

Overpayment repayments are pre-tax deductions. They reduce the amount of taxable compensation that one has on a given pay.

| | |
|----------------------|------------|
| Salary | 4,500.00 |
| Flex Credit | 37.50 |
| Total Earnings | 4,537.50 |
| Pre-Tax deductions | (1,785.76) |
| Taxable Compensation | 2,741.74 |

Taxes are then computed and withheld based on \$2,741.74; total taxes are only \$1,001.36 for this pay.

The taxes withheld decreased by \$226.40. The overpayment repayment was \$562.50, but the employee only has a \$336.09 decrease in net pay, due to the lower taxable compensation.

Check/Money Order repayment:

If this employee would repay by check/money order, they would repay the net amount (70% of the gross overpayment amount). For example, if this gross overpayment was \$562.50, the employee would repay \$393.75. There will always be a slight difference in the two methods because of the use of 70% instead of the employee's exact tax calculations. The 70% is used for ease of calculation.

PAY WITH REPAYMENT BY CHECK/MONEY ORDER:

Johns Hopkins Enterprise - School of Medicine Employee Number 63668
 Pay Date 05/16/2008
 From - To 05/16/2008 - 05/16/2008
 Pay Period S1 00/0000

| Leave Type | Balance | Tax Information | Exemptions | Add'l tax | Payment Summary | Current | Ytd |
|------------|---------|------------------|------------|-----------|-----------------|---------|-----------|
| | | Federal | Single | 00 0.00 | Earnings | -168.75 | 52,016.00 |
| | | Maryland | Single | 00 0.00 | Taxes | -168.75 | 15,730.90 |
| | | Baltimore County | Single | 00 0.00 | Pre-Tax | 0.00 | 11,009.35 |
| | | | | | Post-Tax | 0.00 | 0.00 |
| | | | | | Net Pay | 0.00 | 25,215.75 |

| Type of Pay | PP End Date | Hours | Current | Ytd | Deductions | Current | Ytd |
|-------------------------|-------------|-------|---------|-----------|----------------------|---------|----------|
| EARNINGS/FELLOWSHIPS | | | | | TAXES | | |
| Salary | | | | 50,625.00 | Federal W/H | -92.46 | 8,973.74 |
| Flex-Benefit Credit | | | | 337.50 | Federal OAS | -34.88 | 3,058.55 |
| Overpayment Advance (T) | 05/16/2008 | 0.00 | -562.50 | | Federal Med | -8.16 | 715.30 |
| Payment by Employee | 05/16/2008 | 0.00 | 393.75 | 393.75 | Maryland W/H | -31.92 | 1,892.54 |
| SOM Perf Sup CY Flat | | | | 659.75 | Baltimore County W/H | -1.33 | 1,150.77 |
| | | | | | PRE-TAX | | |
| | | | | | EHP Medical Classic | | 400.14 |
| | | | | | BCBS Dental EE | | 15.57 |
| | | | | | Dependent Care FSA | | 1,874.98 |
| | | | | | Fac & Sr. Staff 403b | | 8,718.66 |
| | | | | | Deposit Detail | | Amount |
| | | | | | | | |
| Taxable Compensation | | | 562.50- | 40,612.90 | | | |
| Social Security Base | | | 562.50- | 49,331.56 | | | |
| Medicare Base | | | 562.50- | 49,331.56 | | | |