



# WADSWORTH PUBLIC LIBRARY EMPLOYEE MANUAL

**Chapter: Compensation**  
**Section Number: 4.4**  
**Section Name: Payroll Deductions**  
**Last Revised:**

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Payroll deductions are made from an employee's paycheck as required by law, employee benefit plans or requested by the employee. These deductions are itemized on the pay statement that accompanies the paycheck.

## A. OHIO PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)

1. State law requires that all employees contribute to OPERS unless they contribute to another public retirement system. Ten percent (10%) of each part-time or full-time employee's gross pay is deducted as a required contribution to OPERS. The Library contributes an additional 14% of the employee's gross pay to the OPERS fund. The stated percentages may change at the direction of the OPERS Board of Trustees.

### 2. SALARY REDUCTION METHOD

The Library has adopted an OPERS pick-up plan. This plan defers federal and state income tax until withdrawal or retirement. An employee's gross pay is reduced by an amount equal to his/her portion of the required contribution to the retirement fund. The Library will then deduct federal and state income taxes from the "reduced" pay.

## B. INCOME TAXES

Federal, state, municipal and school taxes will be withheld as required by law. An employee must complete a withholding tax form W-4 at the time of initial employment and keep the Business Manager informed of any change in dependents.

## C. MEDICARE TAX

Each employee hired on or after April 1, 1986 will have Medicare taxes in the amount of 1.45% of the employee's gross earnings deducted from his/her pay. An employee who was employed before April 1, 1986, then quits, and is re-employed on or after April 1, 1986, will have Medicare taxes deducted.

## D. HEALTH INSURANCE

An employee who is enrolled in the Library group health plan will have any premium co-payment deducted from his/her paycheck.

#### E. VOLUNTARY DEDUCTIONS

An employee may authorize payroll deduction for a credit union, United Way, deferred compensation and other items approved by the Board of Trustees. The Business Manager may refuse to make deductions that are not required by law, are below certain set minimum amounts or occur at irregular intervals.

#### F. GARNISHMENTS

Court ordered garnishments, including child support payments will be withheld, as required by law.

#### G. DEFERRED COMPENSATION

1. An employee may have a portion of his/her income deposited into the Ohio Deferred Compensation Program. Law defines the limit for deferred compensation.
2. The Ohio Deferred Compensation Program exists and serves in addition to any retirement, pension or benefit system established for the benefit of Library employees. No deferral of income under the Ohio Deferred Compensation Program will affect a reduction of any retirement, pension or other benefit provided by law.
3. No sum deferred under the Ohio Deferred Compensation Program will be included for the purpose of computing taxes withheld on behalf of the employee, except for municipal income tax.

#### H. SECTION 125 PLAN

An employee who is enrolled in the Library's health care benefits plan may participate in a Section 125, Premium-Only Plan. An employee selecting this option will have any premium co-payment deducted from his/her paycheck on a pre-tax basis. The employee will also be given the option of participating, at full rate of pay, in any of a number of ancillary services such as life and accident insurance.