

Procedure Title:**TIMEKEEPING/PAYROLL****PROCEDURE NUMBER: 4-1-0****Policy Title:**

Pay Deductions and Setoffs

Effective Date:

2/1/2003

Revision Date:

1/15/2003

**APPLIES TO:**

- Chapter 2380 – Adult Training Facilities
- Chapter 2390 – Vocational Facilities
- Chapter 3800 – Child Residential and Day Treatment Facilities
- Chapter 6400 – Community Homes For Individuals With Mental Retardation
- Chapter 6500 – Family Living Homes
- Supported Living Program

PROCEDURE:

1. Keystone may make certain deductions from every employee's compensation. Among these are:
 - Applicable federal, state & local income taxes
 - Applicable occupational taxes
 - Garnishments for court ordered payment
 - Retirement plan deduction
 - Employee contribution to insurance programs
 - 401 (k) plan contributions
 - "Holiday" and/or "All Purpose" club participation
 - Keystone "Sunshine Fund"
 - 401 (k) loan re-payments
 - Keystone also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wages base." Keystone matches the amount of Social Security taxes paid by each employee.
2. Keystone offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the cost of participation in these programs. Examples include: 401(k) savings plan, Christmas club, Vacation club, Sunshine fund, and other insurance programs.

3. Pay setoffs are pay deductions taken by Keystone, usually to help pay off a debt or obligation to Keystone or others.
4. All deductions are shown on the employee's pay stub for information and reference.
5. Each employee will receive an annual Wage and Tax Statement, IRS Form W-2, for the preceding year on or before January 31. Any employee who believes that his/her deductions are incorrect for any pay period, or on their W-2 Form, should immediately contact the Payroll Administrator.

NOTES: