

# OFM Training

## Accounting For Payroll

### ***Wages Subject to FIT, OASI, Medicare***

#### Gross Subject to Federal Income Tax (FIT or W/H)

 Gross Earnings + Net Taxable Allowances & Fringe Benefits:

 Less:

1. Pretax Health Insurance
2. Dependent Care
3. VEBA Reductions
4. Sick Leave Buyout due to death or disability
5. Wages paid after death (always exempt from FIT)
6. ***Deferred Retirement***
7. ***Deferred Compensation***
8. ***Other Tax Sheltered Deductions***
9. ***Flexible Spending***

#### Gross Subject to Social Security (OASI)

 Gross Earnings + Net Taxable Allowances & Fringe Benefits:

 Less:

1. Pretax Health Insurance
2. Dependent Care
3. VEBA Reductions
4. Flexible Spending
5. Sick Leave Buyout due to death or disability
6. Wages paid after death ***in future year***
7. ***Sick Leave payments after six continuous months absences due to sick leave***
8. ***Wages for certain exempt employees***
9. ***Wages over federal calendar year maximum (for 2008 - \$102,000)***

#### Gross Subject to Medicare

 Gross Earnings + Net Taxable Allowances & Fringe Benefits:

 Less:

1. Pretax Health Insurance
2. Dependent Care
3. VEBA Reductions
4. Flexible Spending
5. Sick Leave Buyout due to death or disability
6. Wages paid after death ***in future year***
7. ***Sick Leave payments after six continuous months absences due to sick leave***
8. ***Wages for certain exempt employees***