

FACT SHEET FOR 3% REFUND- SAGINAW PUBLIC SCHOOLS

Current Employees:

FICA has already been paid on these funds.

22% Federal Tax and applicable State and City Tax will be withheld.

Funds will be direct deposited on a separate payroll

No 403B, or other pretax contributions will be taken from this payment- to allow this would prolong the timing of payments.

No taxes will be withheld on the interest portion of the payment. The interest amount will show in Box 14 of W-2 at the end of the year.

Refund payments are **NOT** exempt from garnishments, alimony or child support- it will depend on how the legal agreement is structured (is payment a set annual amount spread over the year or is it a percent of pay, etc.)

Former Employees:

FICA has already been paid on these funds.

Applicable Federal, State and City Tax will be withheld according to withholdings in Skyward System and W-4 that is on file.

Funds will be mailed to address on file.

No 403B, or other pretax contributions will be taken from this payment- to allow this would prolong the timing of payments.

No taxes will be withheld on the interest portion of the payment. The interest amount will show in Box 14 of W-2 at the end of the year.

If no W-4 information on file, funds will be taxed using Single and Zero exemptions for Fed, State, and City.

The Daily misc tax table will be used if there no other wages paid in the same year.

Deceased Employee (Prior to 12/31/17):

These checks will be paid through the Accounts Payable System.

FICA has already been paid on these funds.

No taxes will be withheld on these funds. If over \$600, a 1099 will be mailed at the end of the year for the principal portion of payment only. The 1099 **will not** show the interest portion of the payment.

Funds will be written “to the estate of...” and mailed to address on file.

No 403B, or other pretax contributions will be taken from this payment- to allow this would prolong the timing of payments.

Deceased Employee (After 12/31/17):

FICA has already been paid on these funds.

Applicable Federal, State and City Tax will be withheld according to withholdings in Skyward System and W-4 that is on file.

Funds will be written “to the estate of...” and mailed to address on file.

No 403B, or other pretax contributions will be taken from this payment- to allow this would prolong the timing of payments.

No taxes will be withheld on the interest portion of the payment. The interest amount will show in Box 14 of W-2 at the end of the year.

If no W-4 information on file, funds will be taxed using Single and Zero exemptions for Fed, State and City.

The Daily misc tax table will be used if there no other wages paid in the same year.

Changing your exemptions will not affect this payment. It is taxed at a flat rate.

Please send updated address information to gcostello@spsd.net by February 16, 2018.

Payments will be issued no later than March 16, 2018.