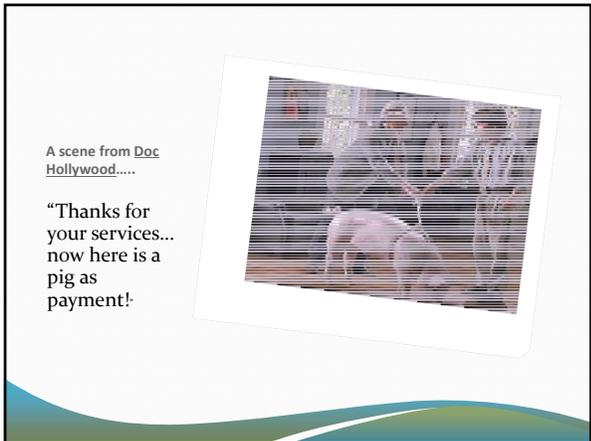


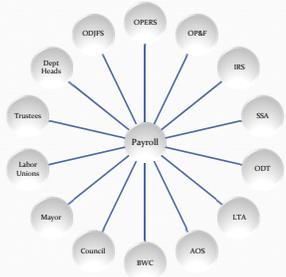
PAYROLL 101

March 2014

- ## Today's Topics:
- Earnings
 - Involuntary Deductions
 - Voluntary Deductions
 - Reporting Requirements



Many factors affect Payroll



EARNINGS

- Salary
- Hourly
- Overtime (1.5)
- Overtime (2.0)



- Retro Pay
- Longevity
- Purchase Vacation
- Purchase Sick Time



- Hospitalization
- Uniform Allowance
- Cell Phone Allowance
- Per Item Wages



Public Officials

The term "public official" refers to someone who has authority to exercise the power of the government and does so as an agent and employee of the government. The Internal Revenue Code does not define the term "public official," but [Regulations 1.1411-1\(b\)\(2\)](#) regarding the applicability of self-employment tax, indicates that [Section 1411](#) "public official" are not a trade or business and therefore not subject to self-employment tax. This Regulation states that the performance of the functions of a public office does not constitute a trade or business. [Regulations 1.1411-1\(b\)\(2\)\(ii\)\(A\) and 1.1411-1\(b\)\(2\)\(ii\)\(B\)](#) state that "public officials" are not subject to self-employment tax. The regulations give the following specific examples of positions that constitute "public office":

- Mayor
- Member of a legislative or elected representative (e.g., state office)
- County commissioner
- State or local judge, or justice of the peace
- County or city attorney, council member, constable
- Register of deeds
- Tax collector or tax assessor
- Road commissioner
- **Member of boards and commissions, such as school board, utility district, zoning L**
- **Member of boards of health**

In *Montgomery v. Atchafalaya*, 514 U.S. 514 (2003), the U.S. Supreme Court addressed the definition of a public official liable for Federal income tax. Under 1976, compensation to state and local government officials was not subject to Federal income tax. The Court held that a public official performs a governmental duty unrelated to a public law. A public official is a position created by law, having a delegation of a portion of the sovereign power of government to be exercised for the benefit of the public. Officials will generally have the same benefits of common law employees. The definition does not include a worker who is compensated for services performed as a government contractor or an independent contractor and is not necessarily a public official or an employee.

Questions may therefore arise as to whether workers performing services for a government are contractors, or act as agents and employees of the government and hold public office.

If there is some question as to whether a worker is a public official and employee, a critical factor to consider is whether there is a provision of the state constitution or a statute establishing the position. State statutes should be reviewed to determine whether they establish enough control for the individual to be classified as an employee under the common-law test. A statute may state that a specific position is that of a public official, in which case there is likely to be a right to control sufficient to make the individual an employee. Statutes may specify the duties of a public office and generally establish the official's supervisor and subordinates. If any statute establishes official status of office and establishes the compensation, that may suggest that a public official holds a position of

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VOLUNTARY DEDUCTIONS

- Deferred Comp
- Union Dues
- Association Dues
- Hospitalization

- Dental/Vision Plan
- Aflac
- Uniform/Equipment
Purchases
- Other
Savings/Investments

GENEVA TOWNSHIP, ASHTABULA COUNTY
Local Tax Report
Year 2013

12/29/2013 10:27:11 AM
LAN V2014.1

Withholding Name: GENEVA LOCAL TAX

Wages Net Subject To Tax	Total Wages	State Wages	Non-Cash Wages	Total Gross Wages	Tx. Yrs	Subject To Tax
January	\$3,535.76	\$0.00	\$3,535.76	\$0.00	\$3,535.76	\$0.00
February	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
3rd Quarter Total	10,607.44	0.00	10,607.44	0.00	10,607.44	\$0.00
April	\$3,535.84	\$0.00	\$3,535.84	\$0.00	\$3,535.84	\$0.00
May	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
June	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
3rd Quarter Total	10,607.52	\$0.00	10,607.52	\$0.00	10,607.52	\$0.00
July	\$3,535.84	\$0.00	\$3,535.84	\$0.00	\$3,535.84	\$0.00
August	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
September	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
3rd Quarter Total	10,607.52	\$0.00	10,607.52	\$0.00	10,607.52	\$0.00
October	\$3,535.84	\$0.00	\$3,535.84	\$0.00	\$3,535.84	\$0.00
November	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
December	3,535.84	0.00	3,535.84	0.00	3,535.84	\$0.00
4th Quarter Total	10,607.52	\$0.00	10,607.52	\$0.00	10,607.52	\$0.00
YTD Total	\$32,842.32	\$0.00	\$32,842.32	\$0.00	\$32,842.32	\$0.00

GENEVA TOWNSHIP, ASHTABULA COUNTY

12/29/2013 10:27:47 AM
LAN V2014.1

Payment Reference #	Post Date	Transaction Date	Type	Vendor / Page	Amount	LAN V2014.1 Report
1824	01/30/2013	01/30/2013	WH	CITY OF GENEVA INCOME TAX DIV. (1)	\$152.16	C
1824	02/07/2013	02/07/2013	WH	CITY OF GENEVA INCOME TAX DIV. (1)	\$152.16	C
1824	02/27/2013	02/27/2013	WH	CITY OF GENEVA INCOME TAX DIV. (1)	\$152.16	C
1760	12/30/2013	12/30/2013	WH	CITY OF GENEVA INCOME TAX DIV. (1)	\$152.16	C
Total Payments:						\$624.72
Total Committed Vouchers:						\$624.72

Payment Listing
Year 2013

Type: AM - Accounting Manual Warrant, AW - Accounting Warrant, IM - Investment Manual Warrant, IW - Investment Warrant, PM - Payroll Manual Warrant, PW - Payroll Warrant, RW - Reallocation of Reciprocal Warrants, SW - Single Manual Warrant, WH - Withholding Warrants, WB - Withholding Manual, WS - Special Warrant, CE - Electronic Payment Advice, IL - Investment Loan, EP - Payroll EFT Voucher, OV - Payroll Commission Voucher, DV - Payroll Expense Voucher, DW - Withholding Voucher, FOG ADJ - Positive Adjustment, NEG ADJ - Negative Adjustment, FOG REAL - Positive Reallocation, NEG REAL - Negative Reallocation

Status: O - Outstanding, C - Cleared, V - Voided, B - Blank

* Asterisked amounts are not included in report totals. These transactions occurred outside the reported date range but are listed for reference.