

### EMPLOYEES' EARNINGS STATEMENT

This article describes all items that may appear on an employee's earnings statement. Each number referred to below corresponds to a number exhibited on the earnings statement illustration (see below). Exhibit A, *Occupation, City, and Revenue Codes*, and Exhibit B, *Life Insurance*, that follow show information that will help the user understand all items displayed in this article.

1		2		3			4		5		6	
PAYLOC		FINANCE NO.		EMPLOYEE NAME			SOCIAL SECURITY NO.		PAY PERIOD		SERIAL NUMBER	
DETAIL EARNINGS 7							GROSS TO NET 8			LEAVE STATUS 9		
WK	RSCLEV	RATE	CODE	TYP	HOURS	PAY	THIS PERIOD		YEAR-TO-DATE		ANNUAL LEAVE	
7A	7B	7C	7D	7E	7F	7G	GROSS PAY	8A			FROM PREV YR	9A
							FED TAX	8B			EARNED THIS YR	9B
							ST TAX	8C			BAL	9B
							RETIRE	8D			USED YR	9C
							FIGAMED	8E			THIS PP	9C
								8F			BALANCE	9D
								8G			SICK LEAVE	
											FROM PREV YR	9E
											EARNED THIS YR	9E
											USED YR	9F
											THIS PP	9F
											BALANCE	9G
											LEAVE WITHOUT PAY	
											THIS PP	9H
											CUMULATIVE	9H
											BOND DATA 10	
											UNAPPL BAL	10A
											NO ISSUED	10B
											USPS RETIREMENT	

EARNINGS STATEMENT  
PS FORM 1213-B, JUNE 1986

**Description**

Each employee will find the following data on the earnings statement in the spaces indicated:

- 1. PAYLOC.** Employee's pay location number. Will show route type and last two digits of route number for rural carriers.
- 2. FINANCE NO.** Finance number of the employee's office.
- 3. EMPLOYEE NAME.** Employee's name: first name initial, middle initial, last name (J P DOE).
- 4. SOCIAL SECURITY NO.** Employee's Social Security number.
- 5. PAY PERIOD.** Pay period and year of payment (PP-YR). For example: 02-92.
- 6. SERIAL NUMBER.** Serial number of check issued to employee or sequence number of earnings statement for net to bank.
- 7. DETAIL EARNINGS.** Used to identify type and number of hours compensated for week of work, rate schedule, level, designation/activity, and gross payment amount, as follows:

- 7A. WK.** Week, either 1 or 2, of pay period for salary and EMA payments. This space is blank for all adjustments and allowances.
- 7B. RSC.** Rate schedule code (RSC) for hours stated, or rural carrier's route type. This space is blank for all adjustments and allowances.

RSC	Schedule Acronym	Schedule Name
E	EAS	Executive and administrative schedule
F	EPM	Postmasters (A-E)
G	PNS	Postal nurses
J	SDS	Structured development
K	OSD	Operating Services division, Headquarters/Facility Services section, Merrifield
L	PMR	Postmaster relief/replacement
M	MH	Mail handlers
N	DCS	Data centers
P	PS	Postal Service
R	RCS	Rural carriers
S	PCES	Postal career executive service
U	APS	Attorneys
Y	PPO	Postal police officers

**7C. LEV.** Grade level for hours stated; or rural carrier's route number.

**7D. RATE.** Base rate (annual or hourly), including cost-of-living allowance (COLA) for hours stated; for rural carriers, the equipment maintenance allowance (EMA) rate.

**7E. CODE.** Employees' designation/activity code. Also, for rural carrier's equipment maintenance payment data, E (for rural carrier who provides own vehicle), P (for carrier who declined government vehicle and provides own vehicle), G (for government-owned vehicle) and the two-digit evaluated hours of the route.

**7F. TYP.** Hours type code. This space is blank for all adjustments and allowances. The following codes may appear:

RSC	Schedule Acronym	Schedule Name
A	MTEC	Mail transport equipment centers
B	RAUX	Rural auxiliary
C	MEDC	Mail equipment shops and materiel distribution centers

**EMPLOYEES' EARNINGS STATEMENT—Continued**

Hours Type Codes	Description
B	Beeper time
C	Christmas work hours
G	Guarantee time, guarantee overtime, guarantee tele-time, guarantee tele-overtime
H	Holiday work hours; EMA hours (rural)
L	Leave hours (paid leave and leave without pay)
M	EMA miles (rural)
N	Night differential hours
O	Overtime hours
P	Out-of-schedule, premium/nonbargaining, rescheduling, premium/holiday scheduling, premium
S	Sunday premium hours
T	Extra-straight time; EMA trips (rural)
V	Penalty overtime
W	Straight time work hours
X	PDC on call

7G. HOURS. For every hours type listed. This space will show the actual hours and hundredths. For rural carriers, it will indicate the number of trips (hours or miles) each week, followed by two zeroes.

7H. PAY. Pay amount for hours stated.

7I. EMPLOYEE BUSINESS EXPENSES. Section 62(c) of the Internal Revenue Code requires reporting and withholding employment taxes on employee business expense (EBE) reimbursements and allowances that exceed the federal standard mileage rate. The following messages related to EBE payments may appear:

Message	Explanation
VH-SW	Vehicle hire payment amount subject to withholding.
SD-SW	Special Delivery message payment amount subject to withholding.
DO-SW	Carrier drive-out payment amount subject to withholding.
SV-SW	Supervisor reimbursement payment amount subject to withholding.
EM-SW	Rural carrier equipment maintenance allowance payment amount subject to withholding.

8. GROSS TO NET. The total gross pay, deductions, and resulting net pay for the current pay period and the pay year-to-date.

8A. GROSS PAY. Gross pay for this period (plus or minus any gross pay resulting from processed adjustments) and year-to-date, including COLA.

8B. FED TAX. Amount deducted for federal tax this period and year-to-date. Marital status and withholding allowances will appear next to FED TAX. For example: M01.

8C. ST TAX. Amount deducted for state tax this period and year-to-date. State abbreviation, filing status, and withholding allowance will appear next to ST TAX. For example: NHM04.

8D. RETIRE. Retirement deduction for this period and year-to-date. CSRS is the Civil Service Retirement System. FERS is the Federal Employees Retirement System, which covers most career employees first hired on or after January 1, 1984, and those CSRS employees who converted to FERS. The following retirement codes will appear next to RETIRE:

Code	Coverage
1	CSRS (Civil Service Retirement System)
2	FICA (Federal Insurance Contribution Act)
3	CSRS (for postal inspectors only)
4	Reemployed annuitants
5	CSRS Offset (CSRS/FICA)
6	CSRS Offset (CSRS/FICA) (for postal inspectors only)
7	Postal rate commissioners (only)
8	FERS
9	FERS (postal inspectors only)
A	FERS (with frozen CSRS service)
B	FERS (with frozen CSRS service) (postal inspectors only)

8E. MED. Medicare deduction for this period and year-to-date.

8F. This lists any other deductions such as union dues, allotments, local taxes, life insurance, charity, bonds, TSP (Thrift Savings Plan), TSP investment type, TSP loan payment, flexible spending accounts, garnishments, child support, IRS tax levy, auto insurance, union-sponsored life insurance, etc. These deductions reflect current pay period and year-to-date totals.

If an adjustment is processed, the amount will appear in the period column and Adjust will print in the year-to-date column. After all deductions have been printed, a Net Earnings line appears. Gross pay minus (-) deductions plus or minus (±) adjustments = net earnings. Nontaxable allowances such as 1. Rent, 2. Equipment Maintenance, 3. TCOLA (Territorial Cost of Living Allowance) appear immediately below the net earnings line. If more than 18 detail lines are required, the remaining current period amounts combine and appear on the last detail line as MISC. (The Payroll Journal Microfiche exhibits all line items that are not listed on the earnings statement.)

**Additional Deduction Messages**

- SOSEC—Social Security tax deduction
- MEDIC—Medicare deduction
- STATE—State tax deduction
- FED—Federal tax deduction
- RET—Retirement deduction
- EM-E—Equipment maintenance payment (for rural carrier who provides own vehicle)
- EM-P—(for carrier who declined government vehicle and provides own vehicle)

### EMPLOYEES' EARNINGS STATEMENT—Continued

**EM-G—Equipment maintenance payment** (for government-owned vehicle)

**ALOT—Allotments.** An allotment of monies to a qualifying financial organization is the employee's authorization for a recurring payroll deduction of a specified dollar amount, to be withheld from salary due each pay period for deposit to the employee's credit in an account at a qualifying financial organization of the employee's choice. Employees are allowed *two* active allotments with the remaining net pay to be processed through normal payroll procedures. The earnings statement will show ALOT and the dollar amount.

**ATIP—Alternative Transportation Incentive Program.** ATIP is a cash award program for employees who use an alternative means of transportation when commuting to and from work. This includes ride-sharing (car or vanpooling), using public transportation, biking, or walking. ATIP monies are subject to applicable tax withholdings. The earnings statement will show ATIP and the dollar amount.

**COOXX—Charity.** The local area charity campaign is identified by a four-digit number. The earnings statement will show this contribution as C, the charity campaign code, and the dollar amount.

**cs/ss—Child Support/Spousal Support.** The earnings statement will show CS/SS and the dollar amount.

**eic-x—Earned Income Credit.** EIC is a tax credit for eligible employees who may choose to receive monies in advance with their pay, instead of waiting until they file their federal income tax return. Those employees who desire the advance EIC payment must file Form W-5. Employees must meet all of the requirements described on the Form W-5 in order to be eligible for EIC. The earnings statement will show either EIC1 for earned income credit (single, or married without spouse filing) or EIC2 for earned income credit (married with both spouses filing).

**FSA XX—Flexible Spending Accounts.** The EAS compensation package provides certain economic benefits for employees in RSCs E, E1, F, F1, J, J1, S, and U. One of the benefits provides eligible employees with the opportunity to participate in one or both Flexible Spending Accounts (FSAs). These accounts are Health Care (HC) and Dependent Care (DC). Eligible career employees who are in a probationary status and who have been on Postal Service rolls for at least 26 pay periods may enroll in either or both FSAs. The employee's contributions are pretax dollars, similar to Thrift Savings Plan contributions. The Travelers Insurance Company is the service provider. Claims under HC are for items not reimbursed by the employee's health benefits plan, such as deductibles and co-insurance. Claims under DC are for child and other dependent care. There are no Postal Service contributions to an employee's FSA. The following mes-

sages related to FSA deductions may appear in the gross to net portion of the earnings statement, with the corresponding pay period and year-to-date amounts:

Message	Explanation
FSADC	Flexible Spending Account (Dependent Care)
FSAHC	Flexible Spending Account (Health Care)

**GARN—Commercial Garnishments.** The earnings statement will show GARN and the dollar amount.

**HB XXX—Health Benefits.** The health benefit plan code and deduction amount per pay period and year-to-date total are identified on the earnings statement. For example: HB102.

**HIP—Hospital Indemnity Plan.** National Postal Mail Handlers Union—sponsored health benefits plan. The earnings statement will show HIP, the deduction amount per pay period, and the year-to-date total.

**LD/RT—Liquidated Damages/Rent.** The earnings statement will show LD/RT and the dollar amount.

**LEVY—Federal Tax Levy.** The earnings statement will show LEVY and the dollar amount.

**MBA—Mutual Benefit Association.** National Association of Letter Carriers—sponsored health benefits plan. The earnings statement will show MBA, the deduction amount per pay period, and the year-to-date total.

**MLTCR—Military Credit.** The earnings statement will show MLTCR and the dollar amount.

**OTHER—Other Agency Indebtedness.** Other agency indebtedness is an amount deducted for another government agency for overpayments or for erroneous or improper payments for which disallowance was made. The earnings statement will show OTHER and the dollar amount.

**PO DB—P.O. Indebtedness.** P.O. (post office) indebtedness is an amount deducted for the USPS for overpayment, erroneous or improper payment, accountability shortage, loss of or damage to the mails, loss of or damage to USPS property and vehicles, or outstanding travel or salary advances due the USPS. The earnings statement will show PO DB and the dollar amount.

**TRVLR—Travelers Insurance Company.** This is the only authorized automobile insurer for which the Postal Service may deduct premiums. The earnings statement will show TRVLR and the dollar amount.

**TSP—Thrift Savings Plan.** Thrift Savings Plan (TSP) deductions are withheld based on either a percentage of basic pay or on a fixed dollar amount. Basic pay does not include COLA, premium pay, overtime pay, shift differential, or the like.

If deductions are based on a percentage, the percentage is shown following TSP. For example,

**EMPLOYEES' EARNINGS STATEMENT—Continued**

TSP01 indicates 1 percent of basic pay withheld, TSP02 indicates 2 percent of basic pay withheld, etc.

If deductions are based on a fixed dollar amount, that amount is shown following TSP \$. For example, TSP\$50 indicates \$50 withheld, TSP\$100 indicates \$100 withheld, etc.

FERS employees may withhold a maximum of 10 percent of basic pay. CSRS employees may withhold a maximum of 5 percent of basic pay. Also, all employees are subject to a maximum annual contribution amount.

FERS and CSRS employees may select from three TSP investment options:

G Fund—Government Securities Investment Fund

F Fund—Fixed Income Index Investment Fund

C Fund—Common Stock Index Investment Fund

The amount of the TSP contribution going to the G, F, and C Funds is shown. For example, G40, F20, C40 means that 40 percent of an employee's contribution is deposited in the G Fund, 20 percent in the F Fund, and 40 percent in the C Fund.

The G, F, and C amounts show how the TSP deduction is invested. They do *not* represent an additional deduction. Also, the USPS matching contribution to the TSP for FERS employees is not shown, since it is not a deduction from the employee's pay.

*TSP Loan Program.* TSP Loan repayments appear on the earnings statement as follows:

Code	Types of Loans
TSPLE	Education
TSPLF	Documented hardship
TSPLH	Self-certified hardship (no longer available)
TSPLM	Medical
TSPLR	Residential

Each loan type code is followed by the dollar amount and the year-to-date total.

—*Valid Union Dues Codes and Organizations.* The codes will appear as UNX (UN = union dues, X = the union code). The union codes are as follows:

Union Code	Union Organization
A	American Federation of Government Employees, AFL-CIO
D	National Professional Nurses Association
E	National Alliance of Postal Employees
F	Fraternal Order of Police—National Labor Council
H	National Post Office Mail Handlers, Watchmen, Messengers & Group Leaders, Division Laborers' International Union of North America AFL-CIO
L	National Association of Letter Carriers, AFL-CIO
N	National League of Postmasters of the United States
P	National Association of Postmasters

Union Code	Union Organization
R	National Rural Letter Carriers' Association
S	National Association of Postal Supervisors
W	American Postal Workers Union, AFL-CIO

WEP—*Wage Earner Plan.* The earnings statement shows WEP and the dollar amount.

8G. **EMPLOYEE BUSINESS EXPENSES.** The following messages related to EBE payments may appear in the gross to net portion of the earnings statement, with the corresponding pay period and year-to-date amounts:

Message	Explanation
VEH H	Vehicle hire payment(s)
SPECD	Special delivery message allowance payment(s)
CDOA	Carrier drive-out payment(s)
SRVU	Supervisor reimbursement payment(s)

Multiple occurrences of the same type of EBE payments for any one pay period are accumulated by type. Applicable taxes are computed for each payment type for each relevant pay period and shown as adjustments in the gross to net portion of the earnings statement.

8H. **NET PAY.** Employee's net pay:

- Gross pay
- Deductions
- (–) or + *Adjustments*
- = Net earnings
- + *Nontaxable allowances*
- = Net pay

9. **LEAVE STATUS.** Used to identify an employee's use of annual leave, sick leave, and leave without pay and the employee's balances for the current leave year.

9A. **ANNUAL LEAVE—FROM PREV YR.** The number of hours of annual leave carried over from previous leave year. (**Note:** This amount could differ from the balance on the last pay period in a leave year because of maximum carryover limits.) Annual leave for rural carriers assigned to a regular route is shown in days and hundredths of an hour, with the last digit of the hundredths dropped.

9B. **ANNUAL LEAVE—EARNED—**

**THIS YR.** The number of hours earned to date this leave year.

**BAL.** The number of hours carried over from previous leave year plus annual leave earned this year.

9C. **ANNUAL LEAVE—USED THIS—**

**YR.** Total hours of annual leave used to date this year. If the employee donates annual leave to a recipient, this balance will increase by the amount of annual leave donated.

## EMPLOYEES' EARNINGS STATEMENT—Continued

PP. Total hours of annual leave used in this pay period, including adjustments.

9D. ANNUAL LEAVE BALANCE. The employee's actual annual leave balance, which includes advanced leave projected through the end of the current year, equals EARNED BAL minus USED THIS YR plus ADVANCED. If the employee donates annual leave to a recipient, the total balance will decrease by the amount of annual leave donated. Employees who use advanced leave and separate before earning the leave must reimburse the Postal Service.

### 9E. SICK LEAVE:

FROM PREV YR. The number of hours of sick leave carried over from previous leave year.

EARNED THIS YR. The number of hours accumulated this leave year.

### 9F. USED THIS:

YR. Total sick leave used to date this leave year.

PP. Sick leave used in this pay period, including adjustments.

9G. BALANCE. Current sick leave balance equals hours carried over from previous leave year, plus hours earned, minus hours used.

### 9H. LEAVE WITHOUT PAY:

THIS PP. Hours of LWOP used this pay period.

CUMULATIVE. Total LWOP hours accumulated this calendar year (from pay period 1 to date). Each increment of 80 (or 96 if applicable) hours of LWOP will result in a reduction of 4, 6, or 8 hours (depending on leave category) of advanced annual leave during the leave year. (Annual and sick leave are not earned while in LWOP status or while using donated leave.)

10. BOND DATA. Identifies an employee's current bond(s), unapplied bond balance, and bonds issued this pay period.

10A. UNAPPL BAL (Unapplied Balance). Amount applied toward purchase of the next bond.

10B. NO. ISSUED. Number of bonds issued this pay period.

11. FLSA (Fair Labor Standards Act). FLSA work hours and FLSA Overtime Premium Pay.\* Printed whenever work hours for one or both weeks exceed 40 hours for FLSA nonexempt employees. (\*FLSA overtime premium pay is the difference between postal overtime pay and overtime pay computed under FLSA, when FLSA overtime pay is greater than postal overtime pay.)

The FLSA is a federal statute of general application that establishes conditions for child labor, minimum wage, equal pay, and overtime pay.

FLSA overtime premium pay appears on the earnings statement as FLSA, FLSA work hours, and FLSA overtime premium pay dollar amount paid under the Detail Earnings Section (7).

12. NET PAY. *Net to Bank*. Net pay refers to the amount of compensation remaining that is due the employee after all payroll deductions and allot-

ments have been taken. Employees may have only one net to bank allotment. The earnings statement will show NET PAY, the dollar amount, and NT BK.

13. USPS RETIREMENT. Total amount contributed to retirement fund as of the close of the prior calendar year. The amount shown does not include a) deduction during employment at another federal agency or b) deductions already transferred to OPM because of prior separations or application for disability retirement.

14. This space is reserved for earnings statement messages such as the following:

ADJ FOR PP-YR PROCESSED. An adjustment for a specific pay period and year was processed.

DONATED LV BAL XXXX.XX. Reflects the recipient's donated leave balance if it is anything other than 0.

EMER PAY. Emergency pay procedures were invoked for the current pay period.

EMER PAY ADJ. An adjustment for a previous emergency pay condition was processed.

GARNISH PAYMENTS COMPL. Garnishment repayments are complete and garnishment balance equals zero.

GRIEVANCE OR EEO SETTLEMENT. An adjustment for a grievance or EEO settlement was processed.

INCL PYMT FOR A/L DUE. An adjustment for a rural terminal leave payment was processed.

INCL DUAL SERV FLSA PAY. A FLSA overtime premium pay adjustment for dual service performed was processed.

INCLUDES BOND REFUND. Unapplied bond amount has been refunded.

LIFE INSURANCE WAIVED. Life insurance code equals B, waived by this employee.

LV DONATED—AL BAL ADJ. The donor receives this message on the earnings statement for the pay period his or her annual leave is transferred to a recipient.

MANAGEMENT INCREASE. A management salary increase has been added to base salary effective with the pay period shown in Item 5.

MERIT INCREASE. A merit performance salary increase has been added to the base salary.

MERIT LUMP SUM INCLUDED. A merit lump sum payment was processed.

MULTI PP ADJS. PROCESSED. Adjustments for multiple pay periods were processed.

OVERDRAWN LEAVE DEDUCTED. An employee who is terminating and has a net pay greater than zero and an indebtedness deducted from the final earnings statement.

PERIODIC STEP INCREASE. A step increase has been processed.

PO INDEBTA—PAID-OFF. The P.O. indebtedness balance is zero.

RETROACTIVE PAYMENT. This is a special check and earnings statement for retroactive payment.

RETRO PAY IN YTD AMTS. Retroactive payment amounts have been added to year-to-date balances.

## EMPLOYEES' EARNINGS STATEMENT—Continued

**SCHEDULED COLA INCREASE.** A cost-of-living increase has been added to base salary effective with the pay period shown in Item 5.

**SCHEDULED CONTRACTUAL INCREASE.** A scheduled contractual increase has been applied and is reflected in the base salary.

**TERMINAL LEAVE.** A terminal leave payment was processed.

**UPDT YTD BK PAY AWD.** An adjustment for a back pay award was processed, affecting only the year-to-date balances.

**UPDT YTD BAL CANCEL CHK.** An adjustment for a canceled check was processed, which updated the

year-to-date earnings balance, affecting only the year-to-date balances.

**UPDT YTD BAL INCENT AWD.** An adjustment for an incentive award payment was processed, affecting only the year-to-date balances.

**UPDT YTD BAL PR MAN PMT.** A typewritten check (manual) payment adjustment to update the year-to-date balances.

### Reverse Side of Earnings Statement

The back of the earnings statement is reserved exclusively for the Postmaster General's use.

—Finance and Planning Dept., 12-24-92

## EXHIBIT A OCCUPATION, CITY, AND REVENUE CODES

The USPS recognizes occupational, city income, and revenue taxes. The earnings statement will show LO (local tax) and tax code or OCC (occupational tax) and tax code.

State and City	Type of Tax	Local Tax Code	State and City	Type of Tax	Local Tax Code
<b>Alabama</b>					
Bessemer.....	City Income Tax.....	081	Cleveland.....	City Income Tax.....	189
Birmingham.....	Occupational Tax.....	084	Columbus.....	City Income Tax.....	231
Gadsden.....	City Income Tax.....	094	Dayton.....	City Income Tax.....	273
Jefferson County.....	Occupational Tax.....	085	Fairview Park.....	City Income Tax.....	274
<b>Colorado</b>			Heath.....	City Income Tax.....	399
Aurora.....	Occupational Tax.....	495	Kettering.....	City Income Tax.....	441
Denver.....	Occupational Tax.....	294	Mansfield.....	City Income Tax.....	567
<b>Delaware</b>			Newark.....	City Income Tax.....	698
Wilmington.....	City Income Tax.....	903	Oberlin.....	City Income Tax.....	609
<b>Kentucky</b>			Sharonville.....	City Income Tax.....	785
Boone County.....	1. Occupational Tax.....	015	Springfield.....	City Income Tax.....	798
	2. SSC, MR, & MH Tax.....	016	Toledo.....	City Income Tax.....	840
Covington.....	City Income Tax.....	252	Whitehall.....	City Income Tax.....	861
Florence.....	City Income Tax.....	836	Youngstown.....	City Income Tax.....	924
Frankfort.....	Occupational Tax.....	292			
Jefferson County.....	Occupational Tax.....	989	<b>Pennsylvania</b>		
Kenton County.....	Occupational Tax.....	435	Bethlehem.....	City Income Tax.....	335
Lexington.....	Occupational Tax.....	525	Erie.....	1. City Income Tax.....	336
Louisville.....	Occupational Tax.....	546		2. Occupational Tax.....	337
Owenboro.....	City Income Tax.....	201	Greene Township.....	City Income Tax.....	375
Richmond.....	City Income Tax.....	735	Hanover Township.....	1. Occupational Tax.....	342
<b>Michigan</b>				2. Revenue Tax.....	343
Battle Creek.....	City Income Tax.....	063	Harrisburg.....	1. City Income Tax.....	385
Detroit.....	City Income Tax.....	315		2. Occupational Tax.....	386
Flint.....	City Income Tax.....	357	Horsham Township.....	Occupational Tax.....	352
Grand Rapids.....	City Income Tax.....	378	Lancaster.....	City Income Tax.....	462
Lansing.....	City Income Tax.....	483	Marshall Township.....	Occupational Tax.....	555
Pontiac.....	City Income Tax.....	693	Philadelphia.....	City Income Tax.....	651
Saginaw.....	City Income Tax.....	756	Pittsburgh.....	1. City Income Tax.....	672
<b>Missouri</b>				2. Occupational Tax.....	673
Kansas City.....	City Income Tax.....	420	Reading.....	1. City Income Tax.....	714
St. Louis.....	City Income Tax.....	819		2. Occupational Tax.....	715
<b>New York</b>			Scranton.....	1. City Income Tax.....	"
New York City.....	City Income Tax.....	588		2. Occupational Tax.....	"
<b>Ohio</b>			Warminster Township.....	1. City Tax.....	800
Akron.....	City Income Tax.....	021		2. Occupational Tax.....	855
Brecksville.....	City Income Tax.....	105	Wilkes-Barre.....	1. City Income Tax.....	882
Canton.....	City Income Tax.....	126		2. Occupational Tax.....	883
Cincinnati.....	City Income Tax.....	168	York.....	City Income Tax.....	492

**EXHIBIT B  
LIFE INSURANCE**

The employee's age and the amount of insurance he or she has in effect determines life insurance codes on earnings statements. The message INS XY appears, where X=the employee's age group code and Y=the amount of coverage code.

Coverage Code	Federal Employee Group Life Insurance Coverage
	<b>Primary Coverage</b>
A	Ineligible
B	Waived
C	Basic
D	Basic & Standard Option
E	Family
F	Standard Option & Family
	<b>Optional Combinations</b>
G	Salary
H	Salary & Standard Option
I	Salary & Family
J	Salary & Standard & Family
K	2 times Salary
L	2 times (Salary & Standard Option)
M	2 times (Salary & Family)
N	2 times (Salary & Standard & Family)
O	3 times Salary
P	3 times (Salary & Standard Option)
Q	3 times (Salary & Family)
R	3 times (Salary & Standard & Family)
S	4 times Salary
T	4 times (Salary & Standard Option)
U	4 times (Salary & Family)
V	4 times (Salary & Standard & Family)
W	5 times Salary
X	5 times (Salary & Standard Option)
Y	5 times (Salary & Family)
Z	5 times (Salary & Standard & Family)

Standard Form (SF) 2817-B, FEGI—Federal Employees' Group Life Insurance, dated September 1987, includes additional information.

Premiums paid by an employer for employee life insurance coverage in excess of \$50,000 are subject to income tax as imputed income. The imputed income is calculated using an Internal Revenue

Service formula. Tax is not withheld from this imputed income during the course of the year, but imputed income is included in the employee's gross income at the end of the year and is printed on Form W-2.

Under Public Law 100-203 enacted in 1988, this imputed income is also subject to FICA withholding (Social Security and Medicare). However, in this instance, the withholdings from imputed income are made on a pay-period basis. The amount of imputed income is reflected each pay period on earnings statements as information. A year-to-date total is not shown. The impact of this withholding is minimal, as the examples below illustrate.

**Example 1:** An employee is subject to FICA withholdings and has a regular pay period gross of \$1,800 and imputed income of \$20. Previously, the FICA withholding calculation for the pay period would have been  $\$1,800 \times .0751$  (or whatever FICA rate is current) = \$135.18. With the change, the calculation is  $\$1,820 \times .0751 = \$136.68$ . The gross pay appears on the employee's earnings statement as \$1,800—not \$1,820.

**Example 2:** An employee is subject to Medicare withholdings and has a regular pay period gross of \$1,200 and imputed income of \$3.50. Previously, the Medicare withholding for the pay period would have been  $\$1,200 \times .0145$  (or whatever Medicare rate is current) or \$17.40. With the change, the calculation is  $\$1,203.50 \times .0145 = \$17.45$ . The gross pay appears on the employee's earnings statement as \$1,200—not \$1,203.50.

This change in the withholding formula has no effect on the maximum gross wages subject to Social Security/Medicare taxes. Also, the total imputed income subject to income taxes will continue to be shown each year on Form W-2 and will not be affected by this change.

The earnings statement will show INSURANCE INCOME and the dollar amount below 7A through 7G.

**Help the National Center for Missing and Exploited Children locate the children. Display the poster published in the Bulletin each month in a prominent place at your facility.**