**Gross – to – Net**

**Payroll Calculation Program**

**Human Resources Information System (HRIS)**

**Iowa Department of Administrative Services**

**Centralized Payroll**

**Introduction:** Gross-to-Net is a payroll calculator modeled after the actual payroll calculation used for state employees’ paychecks. This calculator can be used to project changes in net pay when there are changes in pay amounts, hours worked, mandatory and voluntary deductions, including all pre-tax deductions such as retirement, insurances, deferred compensation or flexible spending plans. Federal and state tax withholding, retirement rates, OASDI and Medicare (FICA) are calculated using current rates.

The Gross-to-Net calculator is accessed through the employee’s timesheet. Enter “GN” in the header action field of the timesheet to go to the calculator. The following screen will appear.

D3325369 ACTION: \_ GROSS-TO-NET CALCULATOR PRINTER:

+--------KEY INFORMATION ------------ +------- CONTROLS INFORMATION ----------+

| LAST NAME .....: NAME | PP IN MONTH: 1 FILING STATUS: M |

| FIRST NAME ....: NAME + ------ DEDUCTION INFORMATION -------- +

| SOCIAL SECURITY: XXX-XX-XXXX | FEDERAL WH.: 099 0.00 250.21|

| EMPLOYEE NUMBER: XXXXX ID: | STATE WH...: 01 000 0.00 28.56|

+------ EARNINGS INFORMATION --- | OASDI......: Y 59.91 |

| ELIG HOURS EARNINGS | MEDICARE...: 14.01 |

| REGULAR....: 80.00 1,072.00 | RETIREMENT.:EXMPT N PLAN 1 39.66 |

| OVERTIME...: 2 0.00 0.00 | HEALTH INSC: PLAN 1X600 105.64|

| HOLIDAY OVT: 2 0.00 0.00 | DENTAL INSC: PLAN DX400 0.00|

| OTHER PAY..: 0.00 | LIFE INSC..: PLAN K2 0.00|

|\*PAY NOT SUBJ TO RETIRE: 0.00 | CR UNION...: 100.00 100.00|

| TAXABLE EXP: 0.00 | CHAR ORG...: 0 0.00 0.00|

| PRETAX: Y PRETAX DATE: 07/07/1989 | DEF COMP...:PP 0 0.00 0.00|

| FED TAX STATUS.: 1 | EMP ORG DUE: 19 LOCAL 3019 12.93|

| | FSA/HEALTH.: 0.00 0.00|

| HOURLY RATE....: 13.40 | FSA/DEPC...: 0.00 0.00|

| |\*OTHR DEDUCT: 0.00 0.00|

| ANNUAL GROSS...: 27,872.00 | \*SEE HELP SCREEN |

| GROSS PAY......: 1,072.00 | NET PAY....: 461.08|

+-----------------------------------------------------+--------------------------------------------------------------+

R RESTORE H HRDCPY PF9 HELP PF12 RETURN CLEAR EXIT

It is important to note that while a supervisor or other approver can access the employee’s timesheet, they cannot view the employee’s earnings and deduction information on the Gross-to-Net Calculator.

Those employees authorized as Personnel/Payroll Assistants and who have access to the HRIS Employee Information (EI) module are able to access the Gross-to-Net calculators for all those employees to whom they have access through HRIS security. Therefore, they can access the Gross-to-Net calculator from the employee’s time sheet or their EI record. Place a “GN” in the header action field on either of these screens to access the Gross-to-Net Calculator for that employee.

The Gross-to-Net Calculator screen will display all the current information in the employee’s record with the exception of the following deduction types: Saving bonds, maintenance pay, garnishments, wage assignments, travel advance, miscellaneous deductions, employee org insurances, and miscellaneous insurances. You must enter the total of these deductions for an accurate net pay calculation.

That total is entered in the OTHER DEDUCT field in the bottom right hand corner of the screen.

Entries on the Gross-to-Net Calculator do not change the employee’s record. The changes made on the calculator screen will be reset when you exit that screen or when you restore the calculator to its original setting by entering an “R” in the header action field and the pressing “Enter.”

The information contained in this document is also available via on-line HELP screens on the calculator itself. If additional assistance is needed, please contact your Personnel/Payroll Assistant or the Centralized Payroll Section of the Iowa Department of Revenue and Finance.

**GROSS-TO-NET CALCULATOR**

When you first access the Gross-To-Net Calculator, all fields will be initialized with the employee’s current Personnel and Employee Information. This same initialization occurs when you enter "R" in the

Action field.

Once you have viewed the current pay data, you can modify most fields on the screen and calculate a new net amount based on those changes. For example, you can change the number of hours per pay period, including overtime hours, the rate of pay, changes to deferred compensation and other deductions, and changing to and from a “pretax” designation.

Once you have completed the “what if” calculations, you may exit the screen by hitting the F12 key on your keyboard or by entering an “R” to restore the calculator to its original settings. Making changes on this screen does not result in actual changes being made to your pay or deduction records.

Following is a description of the fields on the Gross-to-Net Calculator and instructions on how the fields are used:

**FIELDS LIST**

ACTION Enter any of the Actions listed at the bottom of the screen.

PRINTER Printer ID for the HRDCPY Action. You may also produce a “screen print” of the screen.

**KEY INFORMATION**

LAST NAME Last name of the employee to be displayed.

FIRST NAME First name of the employee to be displayed.

MIDDLE INITIAL Middle initial of the employee to be displayed.

SOCIAL SECURITY Social Security Number of the employee to be displayed.

EMPLOYEE NUMBER The employee number of the employee to be displayed.

ID The HRIS User ID of the employee being displayed.

**EARNINGS INFORMATION**

All fields here can be modified except Regular, Overtime and Holiday Overtime Earnings, Annual Gross and Gross Pay. These fields are figured by the calculator.

REGULAR HOURS Number of Regular Hours worked.

REGULAR EARNINGS This is calculated based on Regular Hours worked and Hourly Rate.

OVERTIME ELIG Employee’s eligibility code is displayed. Valid codes are:

 0 - Not Eligible for Overtime

 1 - Eligible for Straight Time

 2 - Eligible for Premium Overtime/Comp Time (x 1.50)

OVERTIME HOURS Enter number of Overtime Hours worked.

OVERTIME EARNINGS This is calculated based on Eligibility Code, Overtime Hours and Hourly Rate.

HOLIDAY OVT ELIG Employee’s eligibility code is displayed. Valid codes are:

0 - Not Eligible for Overtime

1 - Eligible for Straight Time

2 - Eligible for Premium Overtime/Comp Time (x 1.50)

HOLIDAY OVT HOURS Enter number of Holiday Overtime Hours worked.

HOLIDAY OVT EARNINGS This is calculated based on Eligibility Code, Holiday Overtime Hours and Hourly Rate.

OTHER PAY Enter the amount of Other Pay. This includes Shift Differential, Standby, Callback, Comp Time Paid, and other one-time or recurring Special Pays.

\*PAY NOT SUBJ TO Enter the total of Terminal Leave Pay, Sick Leave Payout, and other

 RETIRE Income Not Subject to Retirement. All of these pay types are subject to Federal Withholding, State Withholding, and FICA, but are not subject to withholding for the employee’s Retirement plan.

TAXABLE EXP Enter the amount of Taxable Expense Reimbursement. This includes “Miscellaneous Income” which is paid to the employee through the payroll system because it is a taxable item (i.e., imputed income, taxable meals, other taxable travel).

PRETAX The employee’s pretax status is displayed. This determines whether Health, Life and Dental Insurances are deducted before or after Taxes, OASDI and Medicare Withholding. Valid codes are:

 Y – Yes N - No

PRETAX DATE Date employee enrolled in the Pre-Tax Premium Conversion Program.

FED TAX STATUS Employee’s current Federal Tax Code is shown and may be changed to "1" through "6". The meanings of those codes are:

 1 - Yes, not eligible for EIC

 2 - Yes, eligible for EIC, plan A

 3 - Yes, eligible for EIC, plan B

 4 - No, not eligible for EIC

 5 - No, eligible for EIC, plan A

 6 - No, eligible for EIC, plan B

HOURLY RATE Employee’s current Hourly Rate.

ANNUAL GROSS This is calculated by multiplying Regular Earnings by 26. Note that this amount will not include any overtime, other pay or expenses you may have entered.

GROSS PAY This is calculated by adding all the Earnings fields together, excluding Hourly Rate and Annual Gross. When you initialize for a new employee or Restore, this amount will include Biweekly Base, Special Pay, Leadworker Pay, Extraordinary Duty Pay, and Longevity Pay.

**CONTROLS INFORMATION**

These fields are general Control fields that determine how the Net Pay amount will be calculated. These fields can be modified.

PP IN MONTH Enter the pay check number of the month. The value entered may affect some deductions. Valid values are 1, 2 and 3. Note that whatever the value in "PP IN MO", the Gross-To-Net calculator will use the value in the current life insurance rates to determine whether the life insurance deduction is taken. However, life insurance is only deducted once a month. This will result in a slight variance from the actual warrant amount in the calculated net pay field.

FILING STATUS Enter Filing Status for tax purposes. Valid codes are:

 S - Single

 M - Married

 H - Married filing at the Single Rate

**DEDUCTION INFORMATION**

These are the employee’s current deductions, with the exception of some voluntary deductions which are listed below and must be entered by the user in the OTHER DEDUCT field. In some fields you can directly enter an amount, and some fields are figured for you based on other information that you provide.

FEDERAL WH There are three fields here, two of which can be modified. The first field is Number of Exemptions. Entering "99" here will calculate the Federal Withholding based on the current flat withholding rate. The next field is Voluntary Withholding. Any amount you enter here will be added to the amount of Federal Withholding figured by the calculator. The last field is total Federal Withholding, which is the calculated amount.

STATE WH There are four fields here, three of which can be modified. First is State Code, where you may indicate "01" for Iowa or "02" for Illinois. The second field is Number of Exemptions. Entering "99" here will calculate the State Withholding based on the current flat withholding rate. The third field is Voluntary Withholding. Any amount you enter here will be added to the amount of State Withholding figured for you by the calculator. The last field is total State Withholding, which is the calculated amount.

OASDI This field indicates the employee's applicable code (FICA). The amount will be calculated based on the current OASDI (Old Age Survivors Disability Insurance) field rate. The valid codes are:

 Y = Regular OASDI

 N = Exempt

 P = Police Officer

MEDICARE The code entered in the OASDI also controls the Medicare portion of FICA. The amount shown in the dollars column will be calculated based on the current Medicare rate.

RETIREMENT Enter a "Y" or "N" in the EXMPT field to indicate whether the employee is Exempt from retirement deductions. Enter the Retirement Plan for the employee in the PLAN field. The amount will be calculated based on the rate for the plan entered. Those plan numbers and their meanings are:

 0 = None

 1 = IPERS Regular

 2 = Judicial

 3 = Police

 4 = IPERS Firefighters

 5 = IPERS Conservation Officers

 6 = IPERS Correctional Officers

 7 = TIAA / CREF Pretax

 8 = TIAA / CREF Posttax

HEALTH INSC The employee’s current health insurance plan is entered here. You can enter a different plan code here, but must check with your Personnel Assistant for other valid plan codes. The Health Insurance deduction will be calculated according to the rates for that plan. Health Insurance is deducted from the first and second pay checks of the month, but is not deducted from the third pay check of the month.

DENTAL INSC The employee’s current dental insurance plan is entered here. The Dental Insurance deduction will be calculated according to the rates for that plan. Dental Insurance is deducted from the first and second pay checks of the month, but it is not deducted from the third pay check of the month.

LIFE INSC The employee’s current life insurance plan is entered here. Check with your Personnel Assistant for other valid plan codes. The Life Insurance amount will be calculated according to the rates for that plan. Whatever the value in "PP IN MO", the Gross-To-Net calculator will use the value in the current payroll controls to determine whether the life insurance deduction is taken. This will result in a slight variance from the actual warrant amount in the calculated net pay field. Optional Life Insurance is only deducted from the paycheck for the pay period in which of the first of the month falls.

CR UNION The employee’s current Credit Union deduction is entered here. The employee's record will indicate the pay check in the month that this deduction is taken. It can be taken out of the first pay check of the month, the second pay check of the month, the first and second (24 per year), or all pay checks (26 per year).

CHAR ORG One Gift deductions are entered here. In the first field, enter the pay check to deduct. Valid entries here are the numbers "0" through "4". Their meanings are:

 0 - No deduction

 1 - Deduct first pay check only

 2 - Deduct second pay check only

 3 - Deduct first and second pay checks

 4 - Deduct all pay checks

 There is also a field where you can enter an amount to deduct, and a field that displays what was actually deducted. If the pay check to deduct does not allow for this deduction, the display field will be zeroed out. However, the amount that you entered in the dollar field will remain until you change it or leave the session.

DEF COMP The employee’s Deferred Compensation deduction is shown here. In the first field, enter the pay check to deduct. Valid entries here are the numbers "0" through "3". Their meanings are:

 0 - No deduction

 1 - Deduct first pay check only

 2 - Deduct second pay check only

 3 - Deduct first and second pay checks

 The next field is where you enter an amount to deduct. If the pay check to deduct does not allow for this deduction, the display field will be zeroed out. However, the amount that you entered in the dollar field will remain until you change it or leave the session.

EMP ORG The employee’s Employee Organization dues code is shown on this line. If the code is found, the Local Number will be displayed and the amount for dues will show in the amount column. Most Union Locals take dues from all pay checks, but there are a few that only take them from the first and second pay checks in the month. If you are not sure of your Union Local’s number, please check with your Personnel/Payroll Assistant.

FSA/HEALTH The employee’s deduction for their Health Flexible Spending Account is shown here. This amount is only deducted from the first and second pay checks of the month.

FSA/DEPC The employee’s deduction for their Dependent Care Flexible Spending Account is shown here. This amount is only deducted from the first and second pay checks of the month.

OTHR DEDUCT Total of all other post-tax deductions, including saving bonds, maintenance pay, garnishments, wage assignments, travel advance, miscellaneous deductions, employee org insurances, and miscellaneous insurances. **You must enter the total of these deductions for an accurate net pay calculation.**

NET PAY This is the Net Pay after all the deductions have been computed and subtracted from the Gross Pay.

**WARNINGS AND MESSAGES:**

EMPLOYEE NOT FOUND

You have entered a name that is beyond the last name in the index. Try again with a name closer to the beginning of the alphabet.

SOCIAL SECURITY NUMBER NOT FOUND

 The social security number you have entered could not be found.

EMPLOYEE NUMBER NOT FOUND

 The employee number you have entered could not be found.

NOT ELIGIBLE FOR OVERTIME PAY

 There is an "0" in overtime eligibility (not eligible) and overtime hours are greater than zero. Either make the employee eligible for overtime to figure the overtime or zero out the overtime hours field.

NOT ELIGIBLE FOR HOLIDAY OVERTIME PAY

 There is an "0" in holiday overtime eligibility (not eligible) and holiday overtime hours are greater than zero. Either make the employee eligible for holiday overtime to figure the overtime or zero out the holiday overtime hours field.

PAY PERIOD (PAY CHECK) TO DEDUCT IS INCOMPATIBLE WITH AMOUNT

You have entered a "0" in the PP IN MONTH field (No deduction) and left an amount in the amount field. Either change the PP-to-deduct field to a deductible pay check or zero out the amount field.

EMPLOYEE ORGANIZATION NOT FOUND

An invalid Employee Organization Code was entered and the Local could not be found. Enter a valid code.

PRINTER ID NOT FOUND

An invalid Printer ID has been entered. Enter the correct Printer ID.

The following messages appear for informational purposes only. They will appear after Net Pay has been calculated and are designed to alert you to situations that could easily be overlooked.

\*\* WARNING \*\* CHARITABLE ORG WAS NOT DEDUCTED FOR THIS PP IN MONTH

This message is designed to alert you that the pay check to deduct for Charitable Org does not allow the amount you have entered to be deducted in this pay check number of the month.

\*\* WARNING \*\* DEFERRED COMP WAS NOT DEDUCTED FOR THIS PP IN MONTH

This message is designed to alert you that the pay check to deduct for Deferred Comp does not allow the amount you have entered to be deducted in this pay check number of the month.

\*\* WARNING \*\* CHAR ORG AND DEF COMP WERE NOT DEDUCTED FOR THIS PP IN MONTH

This message is designed to alert you that the pay check to deduct for both Char Org and Deferred Comp does not allow the amount you have entered to be deducted in this pay check number of the month.

NOTE - THIS IS THE 3RD PP IN THE MONTH. SOME DEDUCTIONS MAY BE AFFECTED.

This message only appears if you are using the calculator in a pay period that is the third pay day of the month. It will only be displayed the first time you see the screen or when you change to a different employee. Once you hit the ENTER key, this message will disappear. Most of the voluntary deductions can be affected when the pay check number in the month is "3". To avoid this, change the control field PP IN MO to "1" or "2".

DEDUCTIONS EXCEEDED GROSS PAY; SOME HAVE BEEN ZEROED OUT. SEE HELP FOR INFO.

When the deductions from gross pay exceed the gross pay, deductions are zeroed out in a specific order. The entire deduction will be zeroed out. The order of those being zeroed out is:

1. Credit Union
2. Charitable Contributions (One Gift)
3. Annuity / Deferred Compensation
4. Employee Org Dues
5. Flexible Spending – Dependent Care
6. Flexible Spending – Health
7. Life Insurance
8. Dental Insurance
9. Health Insurance
10. State Extra Withholding
11. Federal Extra Withholding
12. Other (In this gross-to-net calculation, “Other” includes savings bonds, maintenance pay, garnishments, wage assignments, travel advances, miscellaneous deductions, and employee org insurances.)
13. Retirement
14. State Withholding
15. Federal Withholding
16. FICA

It is important to note that in the actual payroll calculation program, the order of zeroing out deductions differs from this calculation because each field is zeroed out separately. Several deduction types must be added together in the “Other” field on the gross-to-net calculator due to space limitations on the screen. The deduction list as used in the actual payroll calculation program is shown below:

1. Miscellaneous Insurances and Professional trade organizations
2. Credit Union
3. Charitable Contributions (One Gift)
4. U.S. Savings Bonds
5. Annuity / Deferred Compensation
6. Miscellaneous Deduction (deduction from net pay for a repayment other than wages)
7. Regular Maintenance (deductions for the use of a State vehicle or payment for rent or meals)
8. Employee Org Dues
9. Employee Org Insurance
10. Flexible Spending – Dependent Care
11. Flexible Spending – Health
12. Life Insurance
13. Dental Insurance
14. Health Insurance
15. Extra State Withholding
16. Extra Federal Withholding
17. Garnishments
18. Wage Assignments
19. Travel Code (deductions for employees with permanent travel advances)
20. Retirement
21. State Withholding
22. Federal Withholding
23. FICA

**TO EXIT THE GROSS-TO-NET CALCULATOR**

PF12 Returns you to the previous screen (the employee’s timesheet, or the EI record, if you have access because you are a PA). The Gross-to-Net calculator will be reset to the employee’s current information when you exit that screen.

CLEAR Ends the current session and takes you to the Available Applications Menu.