



Policy 2.10 Payroll Taxes and Other Deductions

Responsible Official: VP for Finance
Administering Division/Department: Payroll
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Overview

The purpose of this policy is to provide guidelines for payroll deductions.

Applicability

All employees.

Policy Details

2.10.1 Payroll Taxes

The [Payroll Department](#) is responsible for managing payroll taxes through the [Human Resources system](#). The Department cannot give tax advice to any employee. If employees need tax assistance, they should contact the [Internal Revenue Service](#) (IRS) or seek their own tax or legal counsel.

If an employee does not complete their tax forms or update them as needed, the Payroll Department, following IRS guidelines, must default the taxing to the maximum withholding amount.

W-4 and G-4 amounts revert to single with no allowances 150 days after an employee's termination date. University employees rehired 150 days since their last day worked will need to complete new forms to ensure proper tax withholding.

2.10.1.1 W-4 Federal Employee's Withholding Allowance Certificate Guidelines

Employees must complete a [W-4 form](#), sections 1, 2, 3, and 5 and sign and date the form. If claiming exempt from federal withholding, complete sections 1, 2, 3, and 7 and sign and date the form.

A W-4 is invalid if it has been altered in any way or any unauthorized additions have been made to the form. Alterations include striking through any of the language on the form. Unauthorized additions include any writing other than the entries requested. The form is also invalid if required sections of the form have been left blank. Flat dollar amount or percentage requests invalidate the form.

Invalid forms will be sent back to the employee by the Payroll Department. No changes to the tax filing status will be done until a valid W-4 has been received.

2.10.1.2 G-4 State of Georgia Employee's Withholding Allowance Certificate Guidelines

Employees must complete a [G-4 form](#), sections 1a, 1b, 2a, 2b, 3 – 6, and 7 and sign and date the form. If claiming exempt from state withholding, complete 1a, 1b, 2a, 2b and 8 and sign and date

the form.

A G-4 is invalid if it has been altered in any way or any unauthorized additions have been made to the form. Alterations include striking through any of the language on the form. Unauthorized additions include any writing other than the entries requested. The form is also invalid if required sections of the form have been left blank. Flat dollar amount or percentage requests invalidate the form.

Invalid forms will be sent back to the employee by the Payroll Department. No changes to the tax filing status will be done until a valid G-4 has been received.

2.10 .1.3 W-5 Earned Income Credit Advance Payment Certificate

If anticipating the birth or adoption of a child this tax year, an employee may be eligible for a reduction of payroll taxes by completing IRS [Form W-5](#) Earned Income Advance Payment Certificate. Employees who believe they qualify should complete a W-5 and forward it to the Payroll Department.

W-5 forms are only in effect for the calendar year that the form was completed. A new form must be completed by the first pay cycle of the new calendar year. If a new form is not completed, then the Payroll Department must stop making advance EIC payments.

The W-5 is invalid if it is incomplete, unsigned, or has an alteration or unauthorized addition. Invalid forms are sent back to the employee by the Payroll Department. The advanced EIC payment will not be processed until a valid W-5 has been received.

More information about eligibility for the Earned Income Advance Payment can be found at the [IRS](#) website .

2.10.2 New Hires

Newly hired employees must complete a [W-4](#) and a [G-4](#) by their first day of employment. They should return the completed forms to the hiring department or to the [Payroll Department](#) . The department must forward the tax forms to the Payroll Department.

If no form is received, the Payroll Department, following IRS guidelines, must default the taxing to the maximum withholding amount: single with no exemptions.

Newly classified and faculty salaried employees will be given these forms for completion during their Benefits Orientation Meeting.

2.10.3 Changing Tax Information

If employees want to change their withholding, they must complete a new [W-4](#) and/or [G-4](#) and return it to the Payroll Department. W-4 changes may be done online through the [Human Resources system](#) during any time of the year.

2.10 .4 Exemption from Withholding

Employees can claim exemption from income tax withholding if they meet IRS guidelines. Information on claiming exemption from withholding can be found on the [W-4](#) and [G-4](#) forms. By claiming this exempt status, no federal or state taxes will be withheld.

College students are not automatically exempt from withholding, even though their prior year's withholding was totally refunded. They must meet all the tests for exemption that other employees are required to meet, including the limits on income for dependents. Consult the [IRS](#) website for complete guidelines on exceptions.

2.10.5 Mandatory Renewal of Exemption from Withholding

Exempt status expires at the end of the calendar year. Therefore, each calendar year, employees must file new tax forms to claim the exempt status. A new [G-4](#) must be filed before December 31, and a new [W-4](#) must be filed before February 15 in order to maintain an exempt status for the upcoming calendar year.

If, after filing a W-4 claiming exempt from withholding, the employee realizes he or she will incur tax liability for the current year, the employee has ten days from that point to file an amended W-4.

If an employee's exempt status is not renewed, the University must begin withholding income taxes at the default maximum withholding amount. (Currently, single with no exemptions.) The Payroll Department will issue NO REFUNDS.

2.10.6 Over-Withheld Income Taxes

As an employer, the University is required to withhold income taxes from an employee's paycheck according to the employee's W-4 and G-4. It is the employee's responsibility to complete these tax forms and to do so correctly. If an employee fails to complete the forms, and if income taxes are over-withheld as a result, the Payroll Department WILL NOT refund any of the taxes withheld. The employee can obtain a refund of any over-withheld income taxes when filing his or her annual income tax return.

2.10 .7 Voluntary Deductions

In addition to taxes, the Payroll Department also facilitates payroll and other deductions.

2.10 .7.1 Payroll Deductions

The Benefits Division of University Human Resources is responsible for determining employee eligibility and enrollment of retirement, life, disability, and, health care benefits. They are also responsible for any payroll deduction in conjunction with these benefits.

Any changes or questions concerning benefit coverage and coverage during a leave of absence and their resulting payroll deductions should be directed to the [Human Resources Benefits Division](#).

2.10 .7.2 Other Deductions

Full-time non-exempt and exempt employees may be eligible for various payroll deductions. A partial listing of the most commonly used deductions and the departments responsible for processing the deductions are as follows:

Deduction	Department
Blomeyer Fitness	Blomeyer Fitness Facility
Charitable Contributions (United Way)	Development and Alumni Relations
Clifton Child Care	Clifton Child Care Centers
Emory Gift Program	Development and Alumni Relations
Parking Permit Deduction	Parking and Transportation Services

Please contact the individual department for information on how to pay for these services through payroll deduction.

2.10 .8 Involuntary Deductions

The Payroll Department, upon receipt of legal documentation, is required by law to withhold monies from an employee's wages to satisfy certain debts.

Examples of involuntary deductions are garnishments, bankruptcies, tax levies, wage assignments, or child support payments. The Payroll Department will notify an employee by letter of a debt withholding notice it has received. Employees should also receive prior notification by the issuing court or authorized agency.

2.10.8.1 Garnishment

The Payroll Department is legally bound to withhold or garnish an employee's wages as instructed by the court.

The maximum portion of disposable earnings subject to garnishment is the lesser of twenty-five percent of the disposable earnings or thirty times the federal minimum hourly wage per week. The Payroll Department deducts the lesser amount of the two calculations and continues to garnish wages until either the entire amount is satisfied, the due date on the garnishment summons is reached, or the garnishment is released by the court by written notification.

The Payroll Department remits the withheld garnishment amounts to the appropriate court on behalf of the employee.

2.10 .8.2 Bankruptcies, Liens, Levies, and Assignments

In accordance with state and federal mandates, there may be other deductions taken from an employee's paycheck. The following list of examples is not inclusive:

1. Chapter 7 Bankruptcy

A Chapter 7 Bankruptcy decree accompanied by an Order Staying Levy or Garnishment stays any existing or future garnishments or liens against an employee's wages for a specific time period. Garnishment or tax levy funds withheld by the Payroll Department following the bankruptcy petition date are remitted to the employee. Debt funds withheld before the petition date, but have not been remitted, will be remitted according to the bankruptcy court's instructions.

2. Chapter 13 Bankruptcy

A Chapter 13 Bankruptcy decree accompanied by an Order Staying Levy or Garnishment stays any existing or future garnishment or lien against an employee's wages until released. Debt funds held by the Payroll Department are remitted to an appointed trustee as instructed by the bankruptcy court. Additionally, the Payroll Department may be ordered to withhold a specified amount from an employee's paycheck for a specific number of months and remit the funds to the trustee.

3. Tax Liens

The Internal Revenue Service and state tax departments issue tax liens to recover delinquent taxes, penalties, and interest charges.

4. Federal Tax Levy

The Payroll Department is required by law to withhold wages for an IRS tax levy based on the number of exemptions claimed by an employee. The Payroll Department will notify an employee of a federal tax levy, in writing, and include a statement of personal exemptions.

Employees have seven calendar days to complete this form and return it to the Payroll Department. The Payroll Department will start to withhold at the maximum rate (one personal exemption) if the form is not received within this time period. The Payroll Department will continue to withhold for a federal tax levy until released by written notification from the IRS or an order staying levy or garnishment from a bankruptcy court.

5. Georgia Tax Levy

The Payroll Department is required by law to withhold an employee's entire net paycheck for a tax levy issued against them by the Georgia Department of Taxation. Net paycheck is defined, for this purpose, as an employee's gross wages minus any existing payroll deductions and federal, state, and social security taxes. The Payroll Department will notify an employee, in writing, of a state tax levy issued against them. The Payroll Department will continue to withhold an employee's net paycheck until the debt is satisfied or is released by written notification from the Georgia Department of Taxation or an order staying levy or garnishment from a bankruptcy court.

6. Wage Assignments

A wage assignment is a voluntary withholding of a specific amount of wages between an employee and a creditor to satisfy a debt payment. The Payroll Department will withhold a specific dollar amount each pay period to satisfy the wage assignment agreement and remit the amounts as they are withheld. Most frequently, wage assignments are payments to the Emory University Hospital for hospital debts or to the Department of Social Services for child support payments. Questions concerning the contracted amount to be withheld should be first directed to the agency issuing the wage assignment.

Definitions

W-4 Form: The Federal tax form which sets appropriate tax levels for each individual employee. Employees must complete and sign this form to receive their paycheck.

G-4 Form : The State of Georgia tax form which sets appropriate tax levels for each individual employee. Employees must complete and sign this form to receive their paycheck.

W-5 Form : Federal tax form used to obtain an advance earned income credit (EIC) to be included in an employee's paycheck if eligible.

Related Links

- Current Version of This Policy: <http://policies.emory.edu/2.10>
- [Payroll Department:](http://www.finance.emory.edu/external/deptpages/pay/index.cfm) (http://www.finance.emory.edu/external/deptpages/pay/index.cfm)
- [Human Resources System:](https://psofthr.cc.emory.edu) (https://psofthr.cc.emory.edu)
- [Internal Revenue Service:](http://www.irs.gov) (http://www.irs.gov)
- [W-4 Form:](http://www.finance.emory.edu/external/forms/w-4.pdf) (http://www.finance.emory.edu/external/forms/w-4.pdf)
- [G-4 Form:](http://www.finance.emory.edu/external/forms/g4.pdf) (http://www.finance.emory.edu/external/forms/g4.pdf)
- [W-5 Form:](http://www.finance.emory.edu/external/forms/w-5.pdf) (http://www.finance.emory.edu/external/forms/w-5.pdf)
- [Online W-4 Changes:](https://psofthr.cc.emory.edu) (https://psofthr.cc.emory.edu)
- [Human Resources Benefits Division:](http://emory.hr.emory.edu/eu/benefits/index.html) (http://emory.hr.emory.edu/eu/benefits/index.html)

Contact Information

Subject	Contact	Phone	Email
Payroll Taxes	Payroll Department	404.727.6100	payroll@emory.edu
Human Resources Benefits	Benefits Department	404.727.7611	N/A

Revision History

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