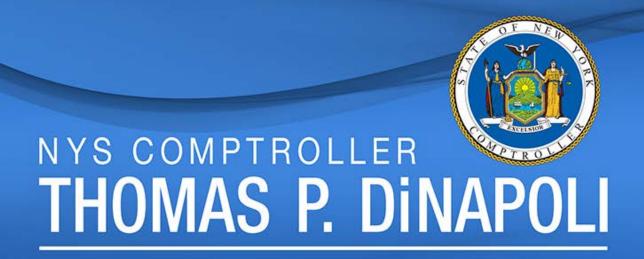
### State of Collaboration

Check Reversal (AC 230) Workshop



# AC-230 THE SALARY REVERSAL & EXCHANGE PROCESS

#### **KEVIN CZMYR**



### What is an AC-230?

- Used to return salary checks for employees who have not earned their full salary due to:
  - Termination
  - Resignation
  - Death
- Full or partial refunds
- Required whenever a direct deposit reversal is requested (with exceptions)



## AC-230 Form

AC 230 (Rev. 01/13)

#### STATE OF NEW YORK REPORT OF CHECK RETURNED FOR REFUND OR EXCHANGE OFFICE OF THE STATE COMPTROLLER

	Dept ID	7	Dept. Name					Agency		AC 230 Number				
1											2			
_	Original Check No	umber		Η.	Employe	o'is Nia	ime (First f	Name, M.I., La	st Name	r, Suffix)	5	NYS EMI	PLID (not SSN	)
3	antina form mu	at he co	molecule by Ac	4	or all cabe	road :	chacks or	will be cature	ad to a	gency for correction.	_			
Piss	ee read and che	eck appro employee employee payroll o	opriate boxes. Is still <u>active</u> is due any <u>res</u> heck to OSC 1	emato sular ar	wad by yo d/or lum rtiel refuc	ur age p sum kd if e	ency or any	y other State a g which are eq e above boxe	gency. pai to o	r exceed the amount to be				
As for	in information (	can be c	Werrant in		lon				_	Returned Amount (Amo			of betten	
6	Admin.		Inst.	11302.184.0		Paych	teck leave	Oate	18	minus Unrecoverable am	cunts.)	,		
		_	Returned Tirr	a infor	mation	_								
7	Returned Time	8	From Date	(MMD)	(^^(	9	To Date	(MMODAYY)				-		
-		_				_			_	Social Security Tax (CAS	recorner.	$\rightarrow$	Code	Amount
10		100	er Karnings / F			_		n Elli	19	(2011 & 2012 Rate= 042) (Prior to 2011 & Current I	1	2)	OASDi	
Earn	ings Code		rmount	Ear	minga Coo	ie .	-	mount		Medicare Tax (MED/EE)	(.01		FICA	
	-						-		20b	Additional Medicare Tax ( (.09 of amount over \$200	(ADDL M	ED)	FIGA	
							l			Withholding Tax - Federa				
									22	Withholding Tax - State				
11	Ċ	ompany		12			Pay Group		23	Withholding Tax - NYC			581	
40	P	notteo		14			Job Code i		24	Withholding Tax - Yonke	18	$\neg$		
13	Page #		Line #			6.	noi Record		25	Retrement - Normal Con	iribution			,
15	7 300 5	16		17			M. Postulo. u		26	Retrement - Loan				
			Agency Justifi	cation/	Remerks		-		27	State Heelth Insurance (/	A/T = Tex	cable)		
									28	State Health Insurance (I Texasion)	B/T=Non			
									29	Other Health Insurance				
										Eritor Other deductions I			e erfered as r sycheck page	unient digits or
										restore and			Code	Amount
									30	Description				
									31	Description				
									32	Description				
			ō	an .					33	Description				
Prepare Name	04,8								34	Description				
Title							Date		35	Description				
E-Maf									36	Total of Deductions Refu		thru 36)		
Phone	Number								37	Refund amount less ded refunded (18 minus 36)				
Authori Signatu	zing								38	Net Amount of Check be Returned	ing		13/11	
oig rati	SULTED BY	1700	For OSC	Use	Only		2	1839	39	Statence Due to Employe (38 minus 37)				
Entere			-			By			40	Name of Payers				

### AC-230 Form

- All requested information should be included on the form.
- The form can be found on the OSC website: (https://www.osc.state.ny.us/payroll/files/ac2 30 13.xls)



### AC-230 Form

- Should be submitted with a payroll check, certified check, or money order.
- OSC will not accept personal checks as payment.
- If the employee has direct deposit then a direct deposit reversal must be submitted. (<u>DDReturnsAndReversals@OSC.NY.GOV</u>)



## Filling Out the AC-230

- Use the current version of the AC-230.
- Use the check # of the actual paycheck when the overpayment in PayServ occurred.
- Always use the full NYS EMPLID
- Box 10 (Other Earnings) Earn Codes with amounts being returned



## Filling Out the AC-230

- Boxes 11-17 found in Review Paycheck
- Agency Remarks –a brief description
- Always complete Signature boxes
- Box 18 –TOTAL gross being returned
- OSC will review prior to submission, if requested



### When An AC-230 Can Be Done

- Employee is:
  - no longer active, or
  - active but no longer receiving pay, or
  - not entitled to all or part of their payroll check
    - On a leave
    - Went off the payroll mid pay period
- AC-230's should not be done on active employees receiving pay



## Types of AC-230

- Full Reversal overpaid, not due any of their paycheck
- Full Reversal, unrecoverable deduction –
   overpaid, not due any of their paycheck, has
   an unrecoverable deduction
- Partial Reversal overpaid for part of the pay period, due a portion of their paycheck

#### What Can Be Recovered

- The State must recover all money associated with the payment (total gross of the overpayment must be recovered) Box 18.
- If OSC cannot recover the deduction from the vendor or because of a garnishment it is the employee's responsibility to return the deduction amount.
- Any deductions that are % based should be listed on the AC-230.
- A good reference to use for checking whether or not a deduction is % based or a flat rate is the "General Deduction Table" link or the "Create General Deductions" link in PayServ.



### Recoverable Deductions

- Taxes
- Retirement
- SS/Med Deficiency
- Strike/Fine/ Unemployment Owed
- State/CUNY Health Ins./Health Care Flex Spending
- Parking/Maintenance/ Finger Prints/Union Ins.
- Union Dues

- Dependent Care
- Transit (GOER)
- Voluntary Contributions
- Loans
- SRA/TDA (403b)
- Deferred Comp
  - Closed accounts treated as an unrecoverable deduction



### Unrecoverable Deductions

- Garnishments All Types
- CUNY Transit Fees
  - -438
  - -439
  - -440
  - -441
- Credit Union
  - -757 Bronx & Child FCU
- Reference Payroll Bulletin #165

## Full Reversal Deductions

▼ Deductions		Persona	lize   Find   View 8   🔼	First 1-9 of 9 Last
Deduction Details 1	Deduction Details 2 Deduction Details	3 💷		
Deduction Code	Description	Class	Amount	Calculated Base
416	Deferred Comp	After-Tax		
416	Deferred Comp	Before-Tax	14.84	
606	ERS Retirement Before Tax	Before-Tax	53.81	1,793.56
233	PEF Member	After-Tax	16.14	
344	Disability Insurance PEF	After-Tax	19.26	
345	Life Insurance PEF	After-Tax	4.74	
410	Health Care Spending Account	Before-Tax	4.16	
608	ERS Arrears Before Tax	Before-Tax	22.09	
HIBTRG	Regular Before Tax Health	Before-Tax	229.33	

### Partial Reversal Deductions

Flat amount deductions should be left off the AC-230 if the earnings the employee is entitled to can support the deductions.

▼ Deductions		Pe	ersonalize   Find   View 8   🔼	First I 1-9 of 9 Last
Deduction Details	Deduction Details 2 Deduction D	Details 3		
Deduction Code	Description	Class	Amount	Calculated Base
416	Deferred Comp	After-Tax		
416	Deferred Comp	Before-Tax	14.84	
606	ERS Retirement Before Tax	Before-Tax	53.81	1,793.56
233	PEF Member	After-Tax	16.14	
344	Disability Insurance PEF	After-Tax	19.26	
345	Life Insurance PEF	After-Tax	4.74	
410	Health Care Spending Account	Before-Tax	4.16	
608	ERS Arrears Before Tax	Before-Tax	22.09	
HIBTRG	Regular Before Tax Health	Before-Tax	229.33	
Carniahmanta			·	

### Partial Reversal Deductions Cont.

Percentage based deductions must be included on the AC-230.

- 606 ERS Retirement
- 233 PEF Membership
- 416 Def Comp should be included but may be removed if account is inactive.

▼ Deductions Personalize   Find   View 8   🔼   🛗 First 🗓 1-9 of 9 🖸 Las						
Deduction Details 1	Deduction Details 2 Deduction Details					
Deduction Code	Description	Class	Amount	Calculated Base		
416	Deferred Comp	After-Tax				
416	Deferred Comp	Before-Tax	14.84			
606	ERS Retirement Before Tax	Before-Tax	53.81	1,793.56		
233	PEF Member	After-Tax	16.14			
344	Disability Insurance PEF	After-Tax	19.26			
345	Life Insurance PEF	After-Tax	4.74			
410	Health Care Spending Account	Before-Tax	4.16			
608	ERS Arrears Before Tax	Before-Tax	22.09			
HIBTRG	Regular Before Tax Health	Before-Tax	229.33			
Carninhmanta						

# Calculating Deferred Comp, SRA/TDA (403b)

- Any before-tax deductions being returned must first be subtracted from the calculated base.
- Once removed you then multiply by the percentage of the deduction.

Deduction Details 1	Deduction Details 2 Deduction Details		e   <u>Find</u>   View All   🚾	First 1-6 of 6 Last
Deduction Code	Description	Class	Amount	Calculated Base
416	Deferred Comp	After-Tax		
416	Deferred Comp	Before-Tax	52.61	
606	ERS Retirement Before Tax	Before-Tax	55.92	1,863.89
201	Civil Service Employees Assoc	After-Tax	28.69	
610	ERS Loans	After-Tax	64.00	
HIBTRG	Regular Before Tax Health	Before-Tax	54.19	

## Example

\$1863.89 (Calculated Base)

\$55.92 (606 ERS Retirement)

-\$54.19 (HIBTRG Regular Before Tax Health Ins.)

= \$1753.78

Def Comp rate on this employee is 3%

\$1753.78 x 3% = \$52.61

Deductions  Deduction Details 1	Deduction Details 2 Deduction Details		e   <u>Find</u>   View All   🖳	First 1-6 of 6 Last
Deduction Code	Description	Class	Amount	Calculated Base
416	Deferred Comp	After-Tax		
416	Deferred Comp	Before-Tax	52.61	
606	ERS Retirement Before Tax	Before-Tax	55.92	1,863.89
201	Civil Service Employees Assoc	After-Tax	28.69	
610	ERS Loans	After-Tax	64.00	
HIBTRG	Regular Before Tax Health	Before-Tax	54.19	

Garnishments

# Calculating Deferred Comp, SRA/TDA (403b) on a Partial

- Employee is overpaid 6 days-\$1863.89 x 0.6 (days) = \$1118.33
- HIBTRG is a flat rate deduction that can be left off the AC-230.
- We only need to factor in the 606 ERS deduction since this is percentage based and a before tax deduction.

Find the percentage retirement is calculated on. (3% in this case)

Calculate the retirement deduction ( $$1118.33 \times 3\% = $33.55$ )

- \$1118.33 \$33.55 = \$1084.78
- \$1084.78 x 3% = \$32.54
- \$32.54 is the amount of the Def Comp to be recouped.

# When Figuring Federal, State & Local Taxes

- Use a salary calculator such as <u>Paycheckcity.com.</u>
- Use the filing status and number of exemptions in effect when the original paycheck was issued.
- Consider before-tax and after-tax deductions



## When Sending Net Letters

- Do not ask an employee to repay the Gross amount of the overpayment.
- Employee should only repay the Net of the overpayment
  - Unless it is a prior year AC-230
- Ask OSC to review AC-230 prior to sending out.



## A Few Things To Remember

- When requesting a direct deposit reversal, an AC-230 must be submitted immediately.
- Any deductions that are percentage based should be listed on the AC-230.
- Flat amount deductions should be left off the AC-230 if the earnings the employee is entitled to can support the deductions.



### A Few Things To Remember

- The Net amount, rather than the Gross, should be recovered from the employee when collecting overpayments.
- Unrecoverable deductions are owed to New York
   State by the employee.
- Money orders, certified checks or teller's checks are the preferred method of payment if the employee is not paying back with a payroll check or direct deposit reversal.

### Questions

#### **Email Us:**

PayrollReversalAndExchange@osc.ny.gov



## Completing a Partial Check Reversal

Jared Waldron, Laurie Leahey, and Kevin Czmyr



### Partial Check Reversal

### Today's Workshop

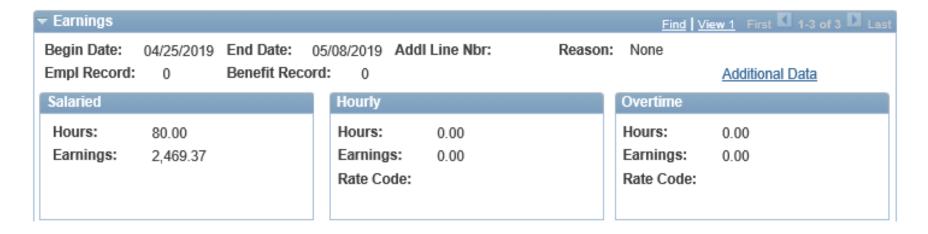
- Review two example reversals.
- Calculate overpayments using PayCheckCity.com
- Recreate the check.
- Calculate what the employee should have been paid.
- Calculate the overpayment.

### **Partial Reversal**

### Example 1

- The Payroll Department received notice that the employee went on LOA April 30, 2019
- Employee overpaid 7 days: 4/30/19 through
   5/8/19
- 1<sup>st</sup> determine what the employee should have been paid

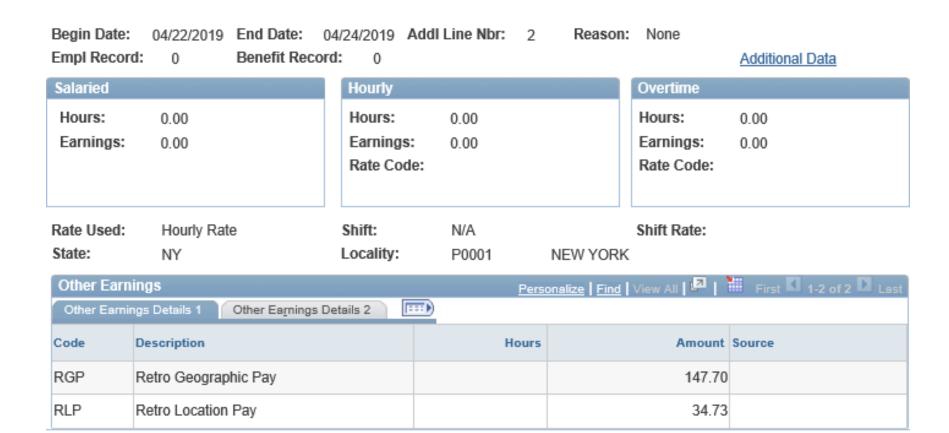
## Calculating Earnings



- Use Review Paycheck to calculate the gross the employee should have been paid
- Daily rate 246.94 \* 3 = 740.82
- Entitled to 3 days of Regular Salary (RGS): \$740.82



- Entitled to 3 days of Geographic Pay (GEO) \$147.70
- Entitled to 3 days of Location Pay (LOC) \$34.73
- All Salary Withholding (SWP) should be taken
   -\$307.74



- Employee is entitled to all of the retro pay from 4/22/19 – 4/24/19
- Retro Geographic Pay (RGP) \$147.70
- Retro Location Pay (RLP) \$34.73

## Calculating Earnings

- (RGS) \$740.82
- (GEO) \$147.70
- (LOC) \$34.73
- (RGP) \$147.70
- (RLP) \$34.73
- (SWP) -\$307.74
- Gross of \$797.94 that the employee should have been paid

- Calculate using:
  - PayCheckCity.com
  - AC230 worksheet

# **Enter Original Check Info**

AC230 WO	RKSHEET		ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
EMPL ID	N01234567	GROSS			0.00
EMPL NAME	John Fishman	FED TAX			0.00
		NYS TAX			0.00
LOST TIME (days)	7	FLI			0.00
FROM DATE	4/30/2019	LOCAL TAX			0.00
TO DATE	5/8/2019	SS TAX (FICA) 6.2%			0.00
		MEDICARE 1.45%			0.00
PAY GROUP	ILB	RETIREMENT			0.00
PAGE #	646	RETIREMENT LOAN			0.00
PAGE LINE #	4	HEALTH INS. (A/T)			0.00
		HEALTH INS. (B/T)			0.00
REMARKS:					0.00
					0.00
					0.00
					0.00
					0.00
		NET	0.00	0.00	0.00

# **Original Earnings**

Paycheck Informat	ion				Paycheck Totals	
Paycheck Status:	Confirmed	Paycheck O	ption: Check		Earnings:	2,952.14
Issue Date:	05/23/2019	Check #:			Taxes: Deductions:	752.47 132.85
Off Cycle	Reprint	Adjustment	Corrected	Cashed	Net Day:	2,066.82

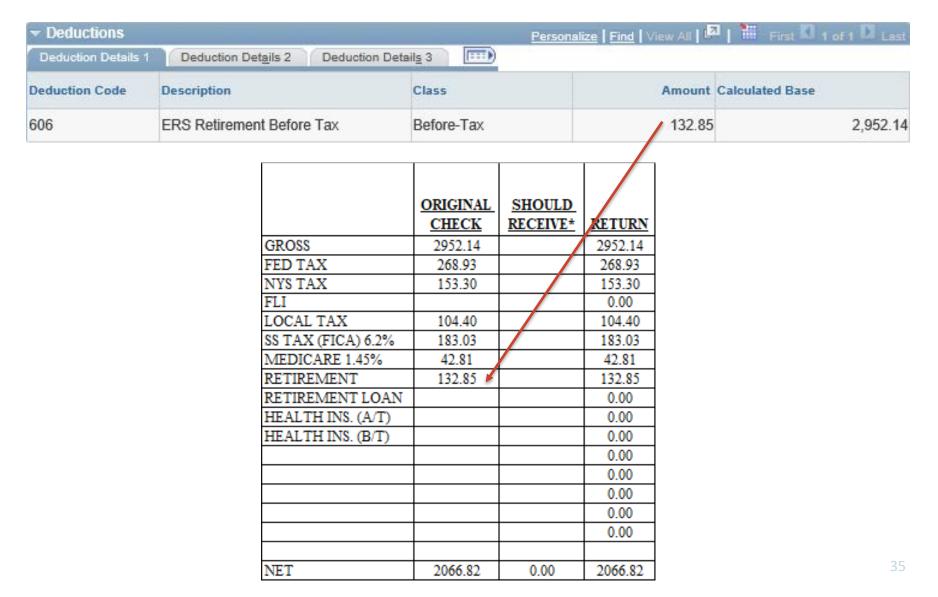
	ORIGINAL	SHOVLD	
	CHECK	PACEIVE*	RETURN
GROSS	2952.14		2952.14
FED TAX			0.00
NYS TAX			0.00
FLI			0.00
LOCAL TAX			0.00
SS TAX (FICA) 6.2%			0.00
MEDICARE 1.45%			0.00
RETIREMENT			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
NET	2952.14	0.00	2952.14

# **Original Taxes**

Locality Name	Tax Class	Taxable Gross	Tax Amount
	MED/EE	2,952.14	42.81
	Med/ER	2,952.14	42.81
	OASDI/EE	2,952.14	183.03
	OASDI/ER	2,952.14	183.03
	Withholdng	2,819.29	268.93
	Withholdng	2,952.14	153.30
NEW YORK	Withholdng	2,952.14	104.40

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	2952.14		2952.14
FED TAX	268.93		268.93
NYS TAX	153.30		153.30
FLI			0.00
LOCAL TAX	104.40		104.40
SS TAX (FICA) 6.2%	183.03	/	183.03
MEDICARE 1.45%	42.81		42.81
RETIREMENT			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
NET	2199.67	0.00	2199.67

## **Original Deductions**



## **Original Net**

Paycheck Information Paycheck Totals Earnings: 2,952.14 Paycheck Status: Confirmed Paycheck Option: Check Taxes: 752.47 Issue Date: Check #: 05/23/2019 Deductions: 132.85 Corrected Cashed Off Cycle Reprint Adjustment Net Pay: 2,066.82 ORIGINAL SHOULD CHECK RECEIVE\* RETURN GROSS 2952.14 2952.14 FED TAX 268.93 268.93 NYS TAX 153.30 153.30 FLI 0.00 LOCAL TAX 104.40 104.40 SS TAX (FICA) 6.2% 183.03 183.03 MEDICARE 1.45% 42.81 42.81 132.85 RETIREMENT 132.85 0.00 RETIREMENT LOAN HEALTH INS. (A/T) 0.00 HEALTH INS. (B/T) 0.00 0.00 0.00 0.00 0.00 0.00

2066.82

0.00

2066.82

NET

## **Should Receive**

	ORIGINAL	SHOULD	
	<u>CHECK</u>	RECEIVE *	<u>RETURN</u>
GROSS	2952.14	797.93	2154.21
FED TAX	268.93		268.93
NYS TAX	153.30		153.30
FLI			0.00
LOCAL TAX	104.40		104.40
SS TAX (FICA) 6.2%	183.03		183.03
MEDICARE 1.45%	42.81		42.81
RETIREMENT	132.85		132.85
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
NET	2066.82	797.93	1268.89

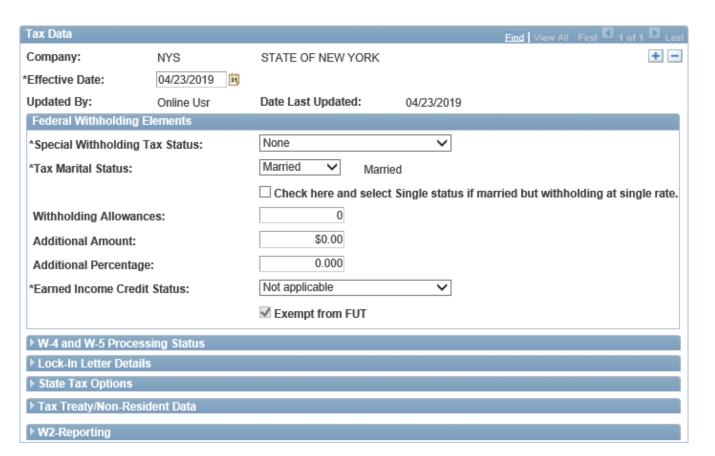
#### Tax Status

- Must know the employee's tax status to calculate the new withholding amounts
- Found in Update Employee Tax Data in PayServ:
  - Tax marital status
  - Withholding allowances
  - Additional amount



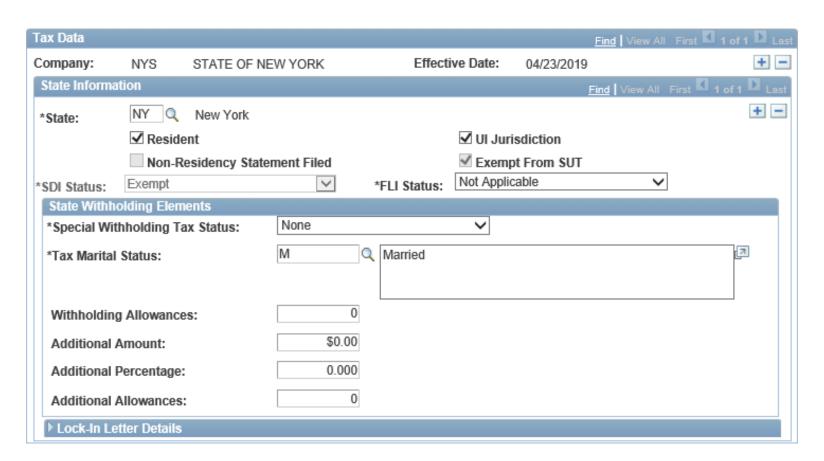
#### Federal Tax Data

- Tax Marital Status Married
- Withholding Allowance 0
- Additional Amount 0



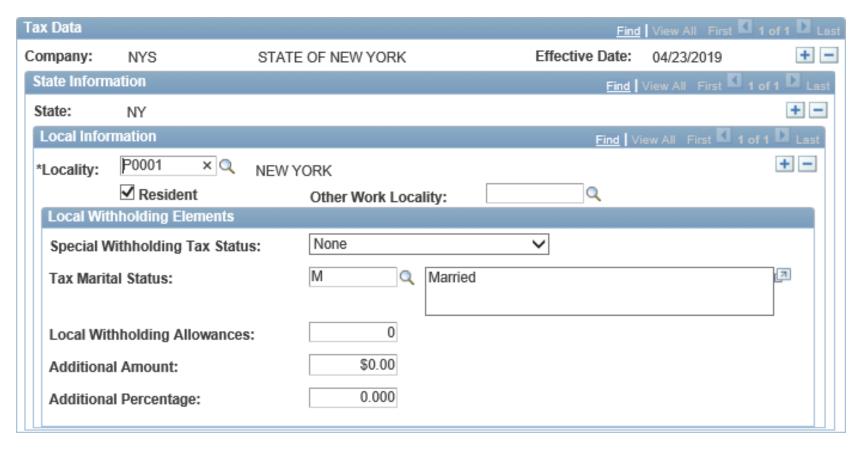
#### State Tax Data

- Tax Marital Status Married
- Withholding Allowance 0
- Additional Amount 0



#### **Local Tax Data**

- Tax Marital Status Married
- Withholding Allowance 0
- Additional Amount 0



### Tax Status

#### Enter on the AC230 Worksheet

AC230 WO	RKSHEET		ORIGINAL CHECK	SHOULD RECEIVE*	RETURN			TAX STATUS/ EXEMPTIONS
EMPL ID	N01234567	GROSS	2952.14		2952.14			
EMPL NAME	John Fishman	FED TAX	268.93		268.93	Verify	Fed=	M0
		NYS TAX	153.30		153.30	Withholding	State=	M0
LOST TIME (days)	7	FLI			0.00	Status &	NYC=	M0
FROM DATE	4/30/2019	LOCAL TAX	104.40		104.40	Exemptions		
TO DATE	5/8/2019	SS TAX (FICA) 6.2%	183.03		183.03			
		MEDICARE 1.45%	42.81		42.81			
PAY GROUP	ILB	RETIREMENT	132.85		132.85			
PAGE #	646	RETIREMENT LOAN			0.00			
PAGE LINE #	4	HEALTH INS. (A/T)			0.00			
		HEALTH INS. (B/T)			0.00			
REMARKS:					0.00			
					0.00			
					0.00			
					0.00			
					0.00			
		NET	2066.82	0.00	2066.82	2066.82		

# PayCheckCity





- Recreate the original paycheck
- Calculate what the employee should receive
- Determine what should be returned for the overpayment



# Recreate Paycheck

Calc Date/State/General Information

Select Calculation date and state	
Check Date	05/23/2019
State for withholding	New York
General Information	
Gross Pay	2952.14
Gross Pay Type	Pay Per Period 🔻
Gross Salary YTD	0
Pay Frequency	Bi-weekly 🔻
Federal Filing Status	Married 🔻
# of Federal Allowances	0
Additional Federal Withholding	0
Round Federal Withholding	○ Yes   ● No
I am exempt from	Federal Tax FICA Medic

# State and Local Information

State and Local Information		
New York SDI		○Yes   No
Total Allowances		0
Additional Withholding - NY	′C	0.00
Exempt State		○ Yes   No
Total Allowances - NYC		0
Additional Withholding - Yo	nkers	0.00
Filing Status		Married
Additional State Withholding	g	0
New York Family Leave Be	nefits	○Yes  No
We use addresses to accurate policy for more details.	ly calculate in this loo	cale. No information is stored. See privacy
Work Address	39 E	Broadway
Suite #		
City, Zip, Plus 4	Nev	v York , NY 100064
Resident	<ul><li>I</li></ul>	Resident Nonresident
Exempt	0.	Yes  No

- 606 ERS Retirement Before Tax Deduction
- Percentage Based at 4.5%
- Retirement Plans in PayServ
- Before Tax Deduction on Federal Taxes only

Voluntary Deduction Section	
Add Deduction	Remove Deduction
Deduction #1 Name Deduction #1 Amount	606 Retirement
Deduction #1 Type	% of Gross Pay
Ded. #1 Exempt from	▼ Federal  Fica  State Local

#### **Before Tax Deductions**

To determine which taxes are Before Tax, look at the taxable gross on Review Paycheck.

▼ Taxes  Personalize   Find   View All   □   ■ First □ 1-7 of 7 □ Last  Tax Details 1 Tax Details 2 Tax Tips ■ ■							
Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					MED/EE	2,952.14	42.81
US Federal					Med/ER	2,952.14	42.81
US Federal					OASDI/EE	2,952.14	183.03
US Federal					OASDI/ER	2,952.14	183.03
US Federal					Withholdng	2,819.29	268.93
State	NY	Υ			Withholdng	2,952.14	153.30
State	NY	Υ	P0001	NEW YORK	Withholdng	2,952.14	104.40

#### **Review Results**

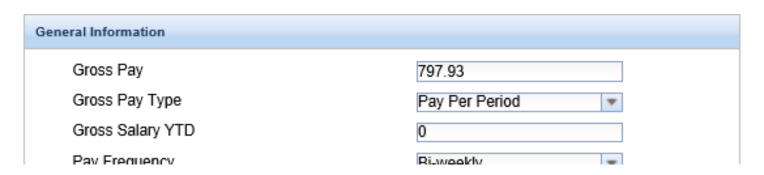
#### Click CALCULATE

- Should match original paycheck
- If not, click the back button and review for mistakes

Your Paycheck Results	
Bi-weekly Gross Pay	\$2,952.14
Federal Withholding	\$268.93
Social Security	\$183.03
Medicare	\$42.81
New York	\$153.30
FLI	\$0.00
SDI	\$0.00
City Tax	\$104.40
606 Retirement	\$132.85
Net Pay	
Net Pay	\$2,066.82

# Calculate what Employee Should Receive

- Once everything matches, click the back button
- Do not click New Calculation
- Change gross pay to what the employee should have received:
  - \$797.93



# Pay Check City Results

#### We now know:

- Taxes
- Deductions
- Net

Your Paycheck Results	
Bi-weekly Gross Pay	\$797.93
Federal Withholding	\$30.82
Social Security	\$49.47
Medicare	\$11.57
New York	\$20.83
FLI	\$0.00
SDI	\$0.00
City Tax	\$15.30
606 Retirement	\$35.91
Net Pay	
Net Pay	\$634.03

#### Enter Results on Worksheet

# Worksheet will calculate the retuned amount:

- Due a net of \$634.03
- Owes a net of \$1,432.79

Your Paycheck Results	
Bi-weekly Gross Pay	\$797.93
Federal Withholding	\$30.82
Social Security	\$49.47
Medicare	\$11.57
New York	\$20.83
FLI	\$0.00
SDI	\$0.00
City Tax	\$15.30
606 Retirement	\$35.91
Net Pay	
Net Pay	\$634.03

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	2952.14	797.93	2154.21
FED TAX	268.93	30.82	238.11
NYS TAX	153.30	20.83	132.47
FLI			0.00
LOCAL TAX	104.40	15.30	89.10
SS TAX (FICA) 6.2%	183.03	49.47	133.56
MEDICARE 1.45%	42.81	11.57	31.24
RETIREMENT	132.85	35.91	96.94
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
NET	2066.82	634.03	1432.79

# Complete AC230

18	Returned Amount (Amount employ entitled to minus Unrecoverable amount	2,154.21	
		Code	Amount
19	Social Security Tax (OASDI/EE) (2011 & 2012 Rate=.042) (Prior to 2011 & Current Rate=.062)	OASDI	133.56
20a	Medicare Tax (MED/EE) (.0145)	FICA	31.24
20b	Additional Medicare Tax (ADDL MED) (.03 of amount over \$200,000)	FICA	
21	Withholding Tax - Federal		238.11
22	Withholding Tax - State		132.47
23	Withholding Tax - NYC		89.10
24	Withholding Tax - Yonkers		
25	Retirement - Normal Contribution		96.94
26	Retirement - Loan		
27	State Health Insurance (A/T = Taxable)		
28	State Health Insurance (B/T=Non- Taxable)		
29	Other Health Insurance		
Ento	r <b>other deductions</b> below (code mu: letters as shown in Review l		
		Code	Amount
30	Description		
31	Description		
32	Description		
33	Description		
34	Description		
35	Description		
36	Total of Deductions Refunded (19 thru 35)		721.42
37	Refund amount less deductions refunded (18 minus 36)		1,432.79
38	Net Amount of Check being Returned		2,066.82
39	Balance Due to Employee (38 minus 37)		634.03

- Use Return Check Column to complete AC230.
- Everything should match.
- If getting check from employee request the exact net. Never request the gross.

	ORIGINAL	SHOULD	
	CHECK	RECEIVE*	RETURN
GROSS	2952.14	797.93	2154.21
FED TAX	268.93	30.82	238.11
NYS TAX	153.30	20.83	132.47
FLI			0.00
LOCAL TAX	104.40	15.30	89.10
SS TAX (FICA) 6.2%	183.03	49.47	133.56
MEDICARE 1.45%	42.81	11.57	31.24
RETIREMENT	132.85	35.91	96.94
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
NET	2066.82	634.03	1432.79

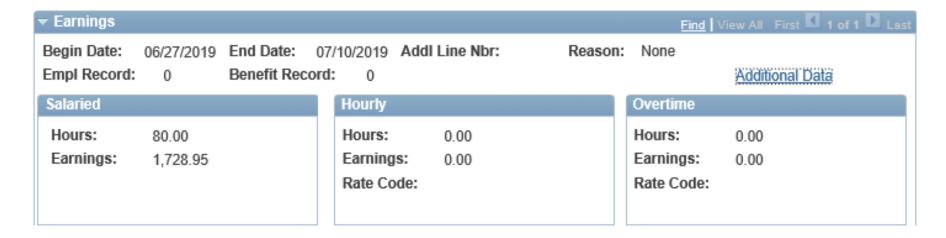
### **Partial Reversal**

#### Example 2

- The Payroll Department received notice that the employee went on LOA 7/3/19
- Employee overpaid 6 days 7/3/19 through
   7/10/19
- Calculate 4 days employee should be paid



# Calculating Earnings



- This employee only has Regular Salary
- Daily rate 172.90 \* 4 = 691.60
- Entitled to 4 days of Regular Salary (RGS): \$691.60

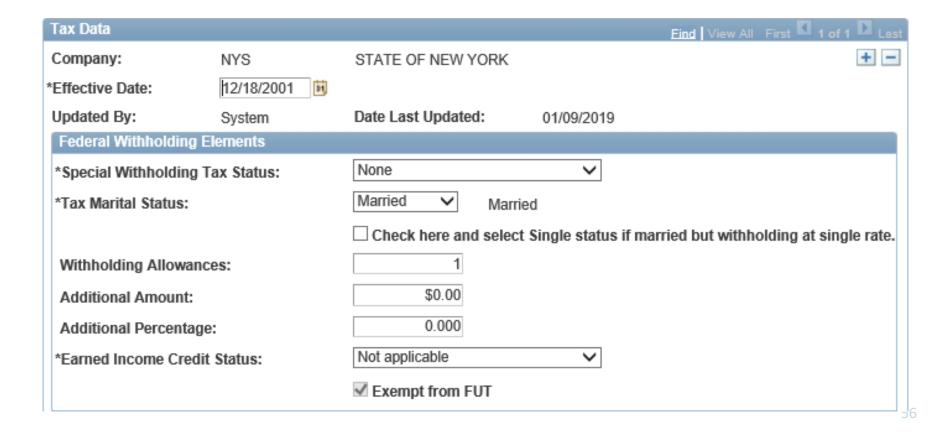
# **Enter Original Check Info**

Use Review Paycheck to enter the original check information.

AC230 WO	RKSHEET		ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
EMPL ID	N01234567	GROSS	1728.95	691.60	1037.35
EMPL NAME	Mike Gordon	FED TAX	67.60		67.60
		NYS TAX	47.78		47.78
LOST TIME (days)	6	FLI			0.00
FROM DATE	7/3/2019	LOCAL TAX			0.00
TO DATE	7/10/2019	SS TAX (FICA) 6.2%	96.47		96.47
		MEDICARE 1.45%	22.57		22.57
PAY GROUP	AL4	RETIREMENT			0.00
PAGE #	14	RETIREMENT LOAN			0.00
PAGE LINE #	7	HEALTH INS. (A/T)			0.00
		HEALTH INS. (B/T)	173.05		173.05
REMARKS:		416 Deferred Comp	264.50		264.50
		201 Dues	27.99		27.99
		305 CSEA Life Ins	25.40		25.40
					0.00
					0.00
		NET	1003.59	691.60	311.99

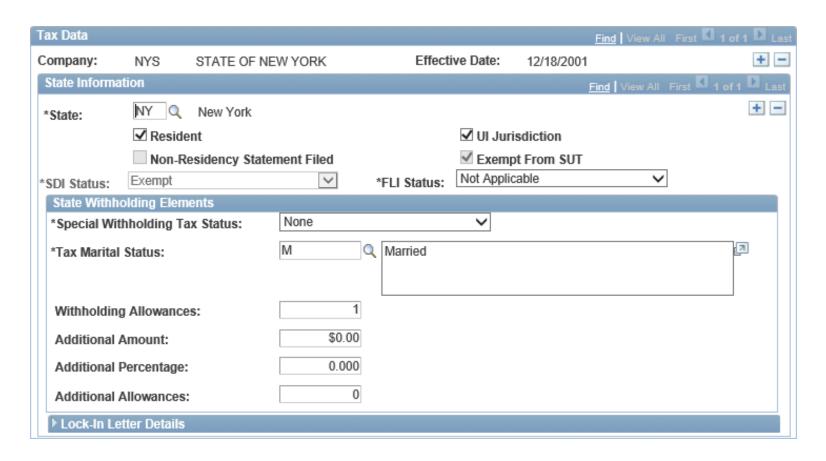
#### Federal Tax Data

- Tax Marital Status Married
- Withholding Allowance 1
- Additional Amount 0



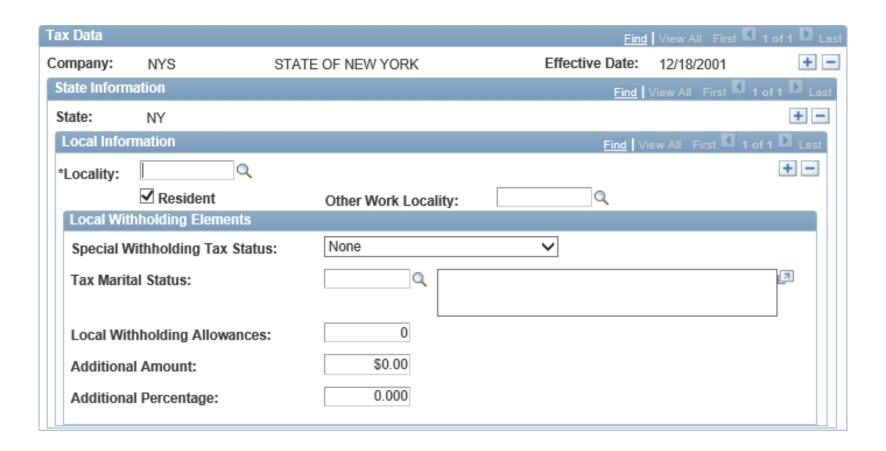
#### State Tax Data

- Tax Marital Status Married
- Withholding Allowance 1
- Additional Amount 0



#### **Local Tax Data**

No local taxes withheld



#### Tax Status

#### Enter this information on the AC230 Worksheet

AC230 WO	RKSHEET		ORIGINAL CHECK	SHOULD RECEIVE*	RETURN			TAX STATUS/ EXEMPTIONS
EMPL ID	N01234567	GROSS	1728.95	691.60	1037.35			
EMPL NAME	Mike Gordon	FED TAX	67.60		67.60	Verify	Fed=	M1
		NYS TAX	47.78		47.78	Withholding	State	M1
LOST TIME (days)	6	FLI			0.00	Status &	NYC≟	
FROM DATE	7/3/2019	LOCAL TAX			0.00	Exemptions		
TO DATE	7/10/2019	SS TAX (FICA) 6.2%	96.47		96.47			
		MEDICARE 1.45%	22.57		22.57			
PAY GROUP	AL4	RETIREMENT			0.00			
PAGE #	14	RETIREMENT LOAN			0.00			
PAGE LINE #	7	HEALTH INS. (A/T)			0.00			
		HEALTH INS. (B/T)	173.05		173.05			
REMARKS:		416 Deferred Comp	264.50		264.50			
		201 Dues	27.99		27.99			
		305 CSEA Life Ins	25.40		25.40			
					0.00			
					0.00			
		NET	1003.59	691.60	311.99	311.99		
*Calculate the tax and	deductions for the "S	hould Receive" column by us	sing using Payo	heckCity.com		aycheck calcul	ation to	o1.

# Recreate Paycheck

#### Calc Date/State/General Information

07/24/2019
New York
1728.95
Pay Per Period
0
Bi-weekly 🔻
Married 🔻
0
○ Yes   No
Federal Tax FICA Medicare

## State and Local Information

State and Local Information	
New York SDI	○ Yes   No
Total Allowances	1
Additional Withholding - NYC	0.00
Exempt State	○ Yes   No
Total Allowances - NYC	0
Additional Withholding - Yonkers	0.00
Filing Status	Married
Additional State Withholding	0
New York Family Leave Benefits	○ Yes   No
We use addresses to accurately calculate in the policy for more details.	nis locale. No information is stored. See privacy
Work Address	
Suite#	
City, Zip, Plus 4	, NY
Resident	Resident    Nonresident
Exempt	○ Yes   No

- 201 Civil Service Employee Assoc
- Flat Rate Deduction \$27.99
- After-Tax

 Deduction #1 Name
 201 Dues

 Deduction #1 Amount
 27.99

 Deduction #1 Type
 \$ Fixed Amount
 x ▼

 Ded. #1 Exempt from
 Federal
 Fica
 State
 Local

- 305 CSEA Regular Life Insurance
- Flat Rate Deduction \$25.40
- After-Tax

 Deduction #2 Name
 305 Life Ins

 Deduction #2 Amount
 25.40

 Deduction #2 Type
 \$ Fixed Amount
 x ▼

 Ded. #2 Exempt from
 Federal Fica State Local

- HIBTRG Regular Before Tax Health
- Flat Rate Deduction \$173.05
- Before-Tax (Federal, FICA, State, Local)

Deduction #3 Name
HIBTRG

Deduction #3 Amount
173.05

Deduction #3 Type
\$ Fixed Amount

Ded. #3 Exempt from
✓ Federal

Fixed State ✓ Local

- 416 Deferred Comp
- Percentage Based Deduction at 17%
- The percentage can be found in the Savings
   Plan Page
- Find the percent of the gross minus any other Before-Tax deductions
- \$1,728.95(Gross) \$173.05(HIBTRG) = \$1,555.90
- \$1,555.90 \* 17% = \$264.50

- 416 Deferred Comp (continued)
- Before-Tax Deduction (Federal, State, Local)
- Needs to be entered as a flat rate

Deduction #4 Name

Deduction #4 Amount

Deduction #4 Type

Ded. #4 Exempt from

416 Deferred Comp

264.50

\$ Fixed Amount

Fica State Local

### **Review Results**

#### Everything should match.

Paycheck Informati	on			
Paycheck Status:	Confirmed	Paycheck Op	otion: Advice	
Issue Date:	07/24/2019	Check #:		
Off Cycle	Reprint	Adjustment	Corrected	Cashed

Paycheck Totals	
Earnings:	1,728.95
Taxes:	234.42
Deductions:	490.94
Net Pay:	1,003.59

Your Paycheck Results	
Bi-weekly Gross Pay	\$1,728.95
Federal Withholding	\$67.60
Social Security	\$96.47
Medicare	\$22.56
New York	\$47.78
FLI	\$0.00
SDI	\$0.00
HIBTRG	\$173.05
201 Dues	\$27.99
305 Life Ins	\$25.40
416 Deferred Comp	\$264.50
Net Pay	
Net Pay	\$1,003.60

# Calculate What Employee Should Receive

- Once everything matches, click the back button.
- Change gross pay to what the employee should have received:
  - \$691.60

General Information	
Gross Pay	691.60
Gross Pay Type	Pay Per Period
Gross Salary YTD	0
Pay Frequency	Di wookly

# Calculate What Employee Should Receive Continued

- We also need to change the Deferred Comp
- \$691.60(Gross) \$173.05(HIBTRG) = \$518.55
- \$518.55 \* 17% = \$88.15

Deduction #4 Name
Deduction #4 Amount
Deduction #4 Type
Ded. #4 Exempt from



#### Enter Results to Worksheet

- The results can be copied over to the AC230 Worksheet
- Due a net of \$333.89
- Owes a net of \$669.70

Your Paycheck Results	
Bi-weekly Gross Pay	\$691.60
Federal Withholding	\$0.00
Social Security	\$32.15
Medicare	\$7.52
New York	\$3.45
FLI	\$0.00
SDI	\$0.00
HIBTRG	\$173.05
201 Dues	\$27.99
305 Life Ins	\$25.40
416 Deferred Comp	\$88.15
Net Pay	
Net Pay	\$333.89

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	1728.95	691.60	1037.35
FED TAX	67.60	0.00	67.60
NYS TAX	47.78	3.45	44.33
FLI			0.00
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	96.47	32.15	64.32
MEDICARE 1.45%	22.57	7.52	15.05
RETIREMENT			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)	173.05	173.05	0.00
416 Deferred Comp	264.50	88.15	176.35
201 Dues	27.99	27.99	0.00
305 CSEA Life Ins	25.40	25.40	0.00
			0.00
			0.00
NET	1003.59	333.89	669.70

# Complete AC230

18	Returned Amount (Amount employ entitled to minus Unrecoverable amount	1,037.35	
		Code	Amount
19	Social Security Tax (OASDI/EE) (2011 & 2012 Rate=.042) (Prior to 2011 & Current Rate=.062)	OASDI	64.32
20a	Medicare Tax (MED/EE) (.0145)	FICA	15.05
20b	Additional Medicare Tax (ADDL MED) (.09 of amount over \$200,000)	FICA	
21	Withholding Tax - Federal		67.60
22	Withholding Tax - State		44.33
23	Withholding Tax - NYC		
24	Withholding Tax - Yonkers		
25	Retirement - Normal Contribution		
26	Retirement - Loan		
27	State Health Insurance (A/T = Taxable)		
28	State Health Insurance (B/T=Non- Taxable)		
29	Other Health Insurance		
Ento	r <b>other deductions</b> below (code mus letters as shown in Review		
		Code	Amount
30	Description	416	176.35
31	Description		
32	Description		
33	Description		
34	Description		
35	Description		
36	Total of Deductions Refunded (19 thru 35)		367.65
37	Refund amount less deductions refunded (18 minus 36)		669.70
38	Net Amount of Check being Returned		1,003.59
39	Balance Due to Employee (38 minus 37)		333.89

- Use Return Check Column to complete AC230.
- Everything should match.
- If getting check from employee request the exact net. Never the Gross.

	ORIGINAL	SHOULD	
	<u>CHECK</u>	RECEIVE*	RETURN
GROSS	1728.95	691.60	1037.35
FED TAX	67.60	0.00	67.60
NYS TAX	47.78	3.45	44.33
FLI			0.00
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	96.47	32.15	64.32
MEDICARE 1.45%	22.57	7.52	15.05
RETIREMENT			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)	173.05	173.05	0.00
416 Deferred Comp	264.50	88.15	176.35
201 Dues	27.99	27.99	0.00
305 CSEA Life Ins	25.40	25.40	0.00
			0.00
			0.00
NET	1003.59	333.89	669.70

# Questions





# **Practice Examples**

#### Using PayCheckCity.com

- Recreate the original paycheck
- Determine what the employee should have been paid
- Determine what the employee was overpaid
- Enter the information into the AC230 Worksheet



#### Resources

#### Websites/Worksheets

- Paycheckcity.com
- Blank AC-230
- Blank AC-230 Worksheet



#### **Contact Information**

#### AC-230 Unit

- PayrollReversalandExchang@osc.ny.gov
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Laurie Leahey

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lleahey@osc.ny.gov

# Example 1 Answer

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	2232.44	446.48	1785.96
FED TAX	273.04	23.27	249.77
NYS TAX	106.56	4.31	102.25
FLI			0.00
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	135.05	24.32	110.73
MEDICARE 1.45%	31.59	5.69	25.90
RETIREMENT	66.97	13.39	53.58
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)	54.19	54.19	0.00
233 PEF DUES	20.09	4.02	16.07
			0.00
			0.00
			0.00
			0.00
NET	1544.95	317.29	1227.66

# Example 2 Answer

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	2419.91	1693.93	725.98
FED TAX	291.42	151.26	140.16
NYS TAX	107.59	62.50	45.09
FLI	3.70	2.25	1.45
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	136.08	91.07	45.01
MEDICARE 1.45%	31.82	21.30	10.52
RETIREMENT			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)	225.09	225.09	0.00
222 UUP DUES	24.20	16.94	7.26
429 SUNY PARKING	27.92	27.92	0.00
_			0.00
			0.00
			0.00
NET	1572.09	1095.60	476.49

# Example 3 Answer

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	1339.82	669.91	669.91
FED TAX	123.70	45.72	77.98
NYS TAX	48.35	11.45	36.90
FLI			0.00
LOCAL TAX	33.73	8.51	25.22
SS TAX (FICA) 6.2%	79.32	37.78	41.54
MEDICARE 1.45%	18.55	8.84	9.71
RETIREMENT	40.19	20.10	20.09
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			0.00
259 DC37 Dues	26.60	26.60	0.00
400 CUNY 403(b)	123.91	58.93	64.98
438 CUNY Transit	60.50	60.50	0.00
440 CUNY Transit	1.77	1.77	0.00
			0.00
NET	783.20	389.71	393.49

# Example 4 Answer

	ORIGINAL CHECK	SHOULD RECEIVE*	RETURN
GROSS	1863.89	559.17	1304.72
FED TAX	182.82	32.74	150.08
NYS TAX	80.40	8.23	72.17
FLI			0.00
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	112.20	31.31	80.89
MEDICARE 1.45%	26.24	7.32	18.92
RETIREMENT	55.92	16.78	39.14
RETIREMENT LOAN	64.00	64.00	0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)	54.19	54.19	0.00
416 Deferred Comp	52.61	14.65	37.96
201 CSEA Dues	28.69	28.69	0.00
			0.00
			0.00
			0.00
NET	1206.82	301.26	905.56