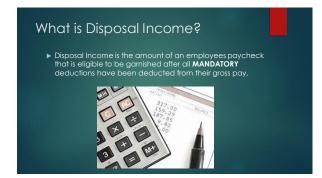
Disposable Income	
STATE CONTROLLER'S STATEWIDE TRAINING	





What is a Mandatory Deduction?
 A mandatory deduction is defined as a deductions that is required by law to be taken from an employee's gross pay. For a full list of mandatory deductions please refer to PPM Section H 313.
Deductions
https://www.sco.ca.gov/Files-PPSD/PPM/ppm_section_h_deductions.pdf

		ABLE EARWINGS (Revised 08/18)
Deductions		cannings" means that part of the individual's earnings remaining after gaired by law are withheld (U.S. Code Yitle 15, Soc. 1672 [b]). The law" include:
	Normal percent Insurance and a	age deductions of taxes, Social Security, Medicare, State Disability selectors.
	2. Additional tax s	hthholding loodes 094, 095, 096, 099)
	S. State Disability	Insurance Adjustment (Code 600)
https://www.sco.co.gov/Files: PPSD/PFM/ppm_section.h. deductions.pdf	Re-deposits	loctions: remnent (coden 003, 005, 031, 032) (code 004, 814, 035) nefti (codes 070, 077)
	Account rec is subject to Maintenance is now subject	of onlying the agency: windside deductions (under 033) to be deducted from the pay period that the germinment, in deductions (codes 061, 922) to be deducted from the pay period that to the gaminishment. owing agency indicated on form 510, 699.
		alfjustments (codes 097, 098) or Medicare adjustments (codes 091, 092)
		equired as a condition of employment.
	8. The "Support E	semption Amount" entered on form STD, 699.
	The support ex-	emption amount will be computed by pay period type as follows:
	If paid:	Reduce the disposable earning by the support exemption amount:
	Monthly	- entire amount - divided by 2
	Semimonthly	



Account for all 6 deductio	
PAY A/R OR DATE ORIGIS CLEAR LS PERIOD WARRANT# MODYYR MODYYR NO. 0-01-20 07221906 013120 10553	DY HR/UNT CODE
C R P P A S G S WWG- OT R S SALARY T L T S C D T P FLSA CD G T TOTAL B 1 1 0 0 1 2 A 1 5540.00	IME SALARY BASE TRANS BATCH/PSD ASE FULL PAY FILE#' 5540.00 5540.00
SUBJ W/H ST-SHR ID / RATE 5540.00 402.16 1707.26 2M*.08000	GROSS W/H FD EX .00
<pre><<>> EE GROSS EE W/H ER GROSS ER W/H 4873.24 302.14 4873.24 302.14</pre>	<>> 1-
	GROSS W/H ER W/H .00 4873.24 48.73 .00 BF

Actual Math ► 5,540.00 (Gross Pay) – 402.16 (Retirement) = 5,137.84 ► 5,137.84 – 298.61(Federal Tax) = 4,839.23 ► 4,839.23 – 302.14 (Social Security) = 4,537.09 ► 4,537.09 – 48.37 (State Tax) = 4,488.72 ► 4,488.72 – 70.66 (Medicare) = 4,418.06 ► 4,418.06 – 48.73 (SDI) = 4,369.33



When do I have to calculate disposable income?

- Certain garnishments do list an amount that must be garnished but instead list a percentage of the employees disposable. When this is the case then you should always calculate disposable income.
- My advice though is to calculate the employees disposable income anytime you receive a garnishment even if the garnishment doesn't require it.



What is disposable income?

- a. All of the income that is left over after we account for all of the employees expenses
- b. Money that we can throw away
- c. Amount of money remaining after deducting all mandatory deductions from employees gross pay
- d. Amount of money remaining after deducting all mandatory deductions from employees net pay

What deductions do we take from the first page of pay history? a. Federal Tax, State Tax and SDI b. Federal Tax, Medicare, Social Security c. Federal Tax, State Tax, Social Security, Medicare, Retirement and SDI d. None of the above

Final Thoughts Always have the PPM Section H 313 available when calculating disposable income Remember that disposable income can change when an employees salary changes Calculate disposable income for every garnishment OPEB must be counted in calculation Don't over think it!

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