

5.6.2 Payroll Deductions

Last Revised: May 2023

Policy: Piedmont Community College (PCC) allows eligible employees to have taxes and certain benefits deducted from their monthly payroll payment.

Purpose/Definitions:

Purpose

The purpose of this policy is to allow eligible employees to withhold taxes and deduct benefit premiums from their monthly payroll payment to ensure prompt payment of those benefits and taxes and to receive the pre-taxed option for qualified benefits allowed by IRS Section 125 Cafeteria Plan.

Definitions

Cafeteria Plan (Flexible Spending Accounts)—qualified benefit premiums that can be withheld before deduction of any taxes from the individual’s payroll, therefore reducing taxes and providing more take-home pay.

Qualified benefits permitted to be offered in the IRS Section 125—referred to as “cafeteria plans,” employees have an opportunity to receive qualified benefits on a pre-tax basis. A cafeteria plan may include, but is not limited to, the following benefits:

- Accident and health benefits (but not long-term care insurance)
- Adoption assistance
- Dependent care assistance
- Group-term life insurance coverage (including costs that can't be excluded from wages)
- FSA (health flexible spending arrangement)

For more information, see [IRS Publication 15-B, Employer’s Tax Guide to Fringe Benefits](#)

Qualifying Life Event—circumstances that may permit changes to voluntary benefits outside of open enrollment which includes, but is not limited to, adoption, birth, court order, death, divorce, reduction in force, guardianship or legal custody of a child, legal separation, changes in other coverage, marriage, military leave, new eligibility, return from Family and Medical Leave (FMLA) or other leaves of absence.

Approval Authority/Monitoring Authority: Piedmont Community College's Board of Trustees has approval authority for this policy. The Vice President, Administrative Services/CFO has monitoring authority for this policy.

Procedure:

Section 1: General Provisions

- 1.1. Retirement, social security, state, and federal taxes will be deducted in accordance with the rules and regulations governing them.
- 1.2. Garnishment of wages can only be done with a court order.
- 1.3. The following benefits may be deducted from the employee's monthly payroll payment based on benefit selections:
 - 1.3.1. State Health Plan administered by the State of NC. All eligible employees must enroll online.
 - 1.3.2. Miscellaneous group insurance plans (Plans offered are vision and dental coverage; additional plan offerings include cancer, accident and life insurance, etc. – complete listing may be obtained from the Office of HROD)
 - 1.3.3. Teachers' and State Employees' Retirement System (TSERS): Employee mandatory contribution is 6% of total salary.
 - 1.3.4. Supplemental Retirement Plans (offerings include 401(k), 403(b) and 457b)
 - 1.3.5. State Employees' Credit Union (Enrollment will be done at the SECU's office)
 - 1.3.6. State Employees Association of North Carolina (SEANC)
 - 1.3.7. Piedmont Community College Foundation
 - 1.3.8. United Way
 - 1.3.9. Flexible Spending Arrangement: Requires annual enrollment each year. Guidelines may be obtained in the Office of HROD (Non-reimbursable Health and Dependent Care)
 - 1.3.10. Other allowable agencies upon request by employees.

- 1.4. Qualified benefits may be cancelled or changed at annual enrollment or when a qualifying life event occurs which includes marital status or employment change, birth or adoption and dependent no longer eligible due to age.
- 1.5. The adoption of a new benefit plan will be reviewed and approved by the Executive Council, subject to the President's acceptance.

Legal Citation: [1C SBCCC 400.10](#)

History: Effective October 1988; Revised October 2001, October 2016, September 2021, May 2023