

Office of Operations
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Partners in Excellence

The Salary Refund & Exchange Process Glenn Davis



Office of the New York State Comptroller
Thomas P. DiNapoli, Comptroller

Office of Operations

John Traylor, Executive Deputy Comptroller

Division of Payroll, Accounting and Revenue Services

Chris Gorka, Deputy Comptroller

Dave Hasso, Assistant Comptroller

Robin Rabii, Director, Bureau of State Payroll Services

What is an AC 230?

Report Of Check Returned For Refund Or Exchange (AC 230)

An **AC 230** is a form required to return an employee's paycheck for refund or exchange when the employee is no longer on Active status or is Active but will not be receiving further pay.

The **AC 230** form must be completed accurately and completely, and should accompany the paycheck being returned.



What Can be Recovered?

- When a paycheck is issued in error, the State must recover all of the money associated with that payment. The total gross amount must be recovered, whereas the actual pay only reflects the net pay.
- Fortunately, OSC can often recover money paid to deduction vendors directly from the vendor.
- If OSC cannot recover deduction money from the vendor, it is the employee's responsibility to return the deduction amount.



What Causes an AC 230?

- It is necessary to complete an **AC 230** when an employee is not entitled to all or part of his pay.
- In most cases an **AC 230** is required whenever a Direct Deposit Reversal is requested.



Our Goal Today

- Today we will look at how to complete an **AC 230** when:
 - The employee is not entitled to the check.
 - The employee is not entitled to the check and has unrecoverable deductions.
 - The employee is entitled to a portion of the check.



The AC 230 Form

- When completing an **AC 230** form, all requested information must be included on the form. Also, make sure you are using the most current revision of the **AC 230** form. This can be found on the OSC website.
- We will review each block on the form and what information is required for that block.



Block 1- Dept ID and Dept Name

Block 2- AC 230 number- This number should return to #1 at the beginning of each year and go in sequential order.

Block 3- Check number should be the check number of actual check that is in paycheck data even if a certified check or money order is provided as payment.

Block 4- Employee's Name

Block 5- Employee's NYS EMPLID (not SSN)

AC 230 (Rev. 01/13)

STATE OF NEW YORK

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

1	Dept ID	Dept. Name		2	Agency AC 230 Number
	01234	NYS AGENCY			3
3	Original Check Number	4	Employee's Name (First Name, M.I., Last Name, Suffix)	5	NYS EMPLID (not SSN)
	71234567		JANE D. EMPLOYEE		N01234567

Block 6- Check the block that applies to your agency pay cycle. In this case it is the Administration cycle. Paycheck Issue date is the actual date of paycheck when the employee was paid for time being returned.

Block 7- Number of Days of Returned Time

Block 8- Beginning Date of Returned Time

Block 9- End Date of Returned Time

Block 10- Earnings Codes only necessary when returning partial payments of special earning codes (ex: Loc Pay, Inc Pay, CON, OVP, etc.)

Warrant Information					
6	Admin.		Inst.		Paycheck Issue Date
	x				1/28/2015
Returned Time Information					
7	Returned Time	8	From Date (MM/DD/YY)	9	To Date (MM/DD/YY)
	8		01/05/15		01/14/15
10	Other Earnings / PayServ Review Paycheck				
	Earnings Code	Amount	Earnings Code	Amount	
	RGS	898.32	IPF	17.68	
	LOC	92.88			

Blocks 11,12,15 & 16 are found on the top of Paycheck Earnings.

Paycheck Earnings	Paycheck Taxes	Paycheck Deductions
Empl ID: NXXXXXXXX	Name: SMITH, JOHN D	
Company: NYS	Pay Group: AL5	Pay End Dt: 02/26/2014
Page: 1	Line: 1	Separate Check:

11	Company		12	Pay Group	
	NYS			AL5	
13	Position #		14	Job Code #	
	00139064			002445	
15	Page #	16	Line #	17	Empl Record #
	1127		2		0

Blocks 13 and 14 are found in Additional Data on Paycheck Earnings page of Review Paycheck.

Block 17 information is found in Paycheck Earnings.

Additional Data

Business Unit:	NYSPY	Department:	28058
Job Code:	002445	Position:	00139064
Tax Periods:	1	Annual Tax Periods:	
Pay Frequency:	Biweekly	Tax Method:	Annualized
FICA Status:	Subject		
GL Pay Type:			
Combination Code:			
Contract ID:		Contract Sequence:	0

11	Company			12	Pay Group
	NYS				AL5
13	Position #			14	Job Code #
	00139064				002445
15	Page #	16	Line #	17	Empl Record #
	1127		2		0

Agency should explain in as much detail as possible why employee is overpaid and when the overpayment was incurred.

(Include explanation in PayServ General Comments and attach AC 230 Worksheet for partial check returns.)

Employee did not work. Placed on LOA effective 1/5/15. Should have only been paid for 2 days. Returning 8 days pay with AC 230 for check dated 1/28/15.

Determining the Refund Amount

- We will look at three examples of returned paychecks:
- Example 1 - A returned check for an employee who is not entitled to any of the paycheck.
- Example 2 - A returned check for an employee not entitled to any of the paycheck who has an unrecoverable deduction.
- Example 3 - A returned check for an employee who is entitled to a portion of the paycheck.



Example 1 – Employee Not Entitled to Entire Paycheck

- Jane Q. Employee was terminated 4/03/14. Because the payroll office was not notified in a timely manner a paycheck was created for the 04/03/14 – 04/16/14 pay period.
- The employee is inactive, and a direct deposit reversal was requested and the funds recovered.
- Because the employee never actually received the funds from the paycheck and is not entitled to any of the pay therein, the agency completed an AC 230 to return the funds to the state.



Block 6– Pay Cycle should be selected and Paycheck Issue Date entered.

Block 7– Number of Days of Returned Time

Block 8– Beginning Date of Returned Time

Block 9– End Date of Returned Time

Block 10– Jane Q. Employee was paid Location Pay for 10 days, therefore, the earning code “LOC” and the amount should be placed in Block 10.

Warrant Information					
6	Admin.	Inst.	Paycheck Issue Date		
		X	4/30/2015		
Returned Time Information					
7	Returned Time	8	From Date (MM/DD/YY)	9	To Date (MM/DD/YY)
	10		04/02/15		04/15/15
10	Other Earnings / PayServ Review Paycheck				
Earnings Code	Amount	Earnings Code	Amount		
RGS	1277.48	IPF	22.05		
LOC	116.07				

- When an employee is not entitled to any of the pay, and all of the pay is recoverable, the Refund Amount is the Gross Pay of the check.
- **Block 18-** When an entire paycheck is being returned, the Gross Amount of the paycheck is entered in Block 18.
- In case of Jane Q. Employee, the entire Gross Amount is being returned, therefore, the Refund Amount for Block 18 is \$1,415.60.

18	Returned Amount (Amount employee not entitled to minus Unrecoverable amounts.)	1,415.60
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Original check figures for **Blocks 19 - 24** will be found in the Paycheck Taxes panel of Review Paycheck.

Paycheck Earnings Paycheck Taxes Paycheck Deductions

Empl ID: NXXXXXXXXX Name: SMITH, JOHN D

Company: NYS Pay Group: IL9 Pay End Dt: 04/16/2014 Page: 1102 Line: 4 Separate Check:

Paycheck Information				Paycheck Totals	
Paycheck Status:	Reversed	Paycheck Option:	Check	Earnings:	1,415.60
Issue Date:	05/01/2014	Check #:	34551082	Taxes:	333.45
<input type="checkbox"/> Off Cycle	<input type="checkbox"/> Reprint	<input type="checkbox"/> Adjustment	<input type="checkbox"/> Corrected	Deductions:	137.66
			<input type="checkbox"/> Cashed	Net Pay:	944.49

Taxes

Personalize | Find | View All | First 1-7 of 7 Last

Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					MED/EE	1,342.05	19.46
US Federal					Med/ER	1,342.05	19.46
US Federal					OASDI/EE	1,342.05	83.21
US Federal					OASDI/ER	1,342.05	83.21
US Federal					Withholding	1,299.58	141.72
State	NY	Y			Withholding	1,342.05	53.41
State	NY	Y	P0001	NEW YORK	Withholding	1,342.05	35.65

19	Social Security Tax (OASDI/EE) (2011 & 2012 Rate=.042) (Prior to 2011 & Current Rate=.062)		83.21
20a	Medicare Tax (MED/EE) (.0145)		19.46
20b	Additional Medicare Tax (ADDL MED) (.09 of amount over \$200,000)		
21	Withholding Tax - Federal		141.72
22	Withholding Tax - State		53.41
23	Withholding Tax - NYC		35.65
24	Withholding Tax - Yonkers		0.00

On the Paycheck Deductions page we see that Jane Q. Employee had a Retirement contribution (code 606), Union Dues (code 292) and Health Insurance (code HIBTRG) deducted from her paycheck.

Deductions				
Personalize Find View All First 1-3 of 3 Last				
Deduction Details 1		Deduction Details 2		Deduction Details 3
Deduction Code	Description	Class	Amount	Calculated Base
606	ERS Retirement Before Tax	Before-Tax	42.47	1,415.60
201	Civil Service Employees Assoc	After-Tax	21.64	
HIBTRG	Regular Before Tax Health	Before-Tax	73.55	

These deductions will be reflected in Blocks 25, 28 and 30 as follows:

25	Retirement - Normal Contribution	606	42.47
26	Retirement - Loan		0.00
27	State Health Insurance (A/T = Taxable)		0.00
28	State Health Insurance (B/T=Non-Taxable)	HIBTRG	73.55
29	Other Health Insurance		0.00
Enter other deductions below (code must be entered as numeric digits or letters as shown in Review Paycheck page).			
		Code	Amount
30	Description - Union Dues	201	21.64

Total Deductions

Block 19 – Social Security Tax (OASDI)	83.21
Block 20a & 20b – Medicare Tax	19.46
Block 21 – Federal Withholding Tax	141.72
Block 22 – State Withholding Tax	53.41
Block 23 – NYC Withholding Tax	35.65
Block 24 – Yonkers Withholding Tax	0.00
Block 25 – Retirement – Normal Contribution	42.47
Block 28 – Health Ins – Code HIBTRG	73.55
Block 30 – Union Dues – Code 201	<u>21.64</u>
Block 36 – Total of Deductions Refunded	471.11

In the case of Jane Q. Employee, all deductions **can** be recovered from the deduction vendors.

Block 37– Refund amount less deductions refunded. This figure is the amount of Block 36 subtracted from Block 18 Refund Amount.

Block 38– Net Amount of Check being Returned. This is the actual net amount printed on the paycheck.

18	Returned Amount (Amount employee not entitled to minus Unrecoverable amounts.)		1,415.60
36	Total of Deductions Refunded (19 thru 35)		471.11
37	Refund amount less deductions refunded (18 minus 36)		944.49
38	Net Amount of Check being Returned		944.49

Block 39– Balance Due to Employee – If the employee were entitled to any of the paycheck in question, this amount would be entered in Block 39 by subtracting the amount of Block 37 from the amount of Block 38. Since Jane Q. Employee is not entitled to any of the paycheck being returned, this amount should equal 0.

Block 40– Name of Payee on check being returned. Verify this name matches the employee name in Block 4.

18	Returned Amount (Amount employee not entitled to minus Unrecoverable amounts.)		1,415.60
36	Total of Deductions Refunded (19 thru 35)		471.11
37	Refund amount less deductions refunded (18 minus 36)		944.49
38	Net Amount of Check being Returned		944.49
39	Balance Due to Employee (38 minus 37)		0.00
40	Name of Payee	Jane Q. Employee	

Are there any questions on how to complete an AC 230 when the employee is not entitled to any of the check and all deductions can be recovered?



Unrecoverable Deductions

When submitting an **AC 230**, there are some deductions that are not recoverable:

- CUNY Transit Program
- Garnishments (All types)
- Credit Union Deduction Codes:

152 Uncle Sam FCU

757 Bronx St. & Child FCU

(See Payroll Bulletin No. 165)



Recoverable Deductions

- Fingerprint Fees (431)
- Deferred Compensation (416)
- Strike/Fines (406)
- Union Dues
- Retirement



Example 2 – Employee Not Entitled to Entire Paycheck with Unrecoverable Deduction

- When the employee is not entitled to any of the pay and there are unrecoverable deductions, i.e. garnishments, returning the entire check will not be enough for the State to recover all of the money.
- The Refund Amount will be less than the Gross Pay on the check.



In the case of Susan Doe, she is not entitled to any of the check being returned. Susan also has 1 deduction that is not recoverable – a garnishment.

Block 7- Number of Days of Returned Time

Block 8- Beginning Date of Returned Time

Block 9- End Date of Returned Time

Block 10- Earnings Codes only necessary when returning partial payments of special earning codes (ex: Loc Pay, Inc Pay, CON, OVP, etc.)

Warrant Information			
6	Admin.	Inst.	Paycheck Issue Date
		X	4/30/2015
Returned Time Information			
7	Returned Time	8	From Date (MM/DD/YY)
	10		04/02/15
9			To Date (MM/DD/YY)
			04/15/15
10	Other Earnings / PayServ Review Paycheck		
	Earnings Code	Amount	Earnings Code
	LOC	116.07	IPF
			22.05

Agency should explain in as much detail as possible why the employee is overpaid and when the overpayment was incurred.

Agency Justification/Remarks
(Include explanation in PayServ General Comments and attach AC 230 Worksheet for partial check returns.) Employee did not work. Terminated 4/2/15

Block 18 is the Gross Amount of overpayment - \$1990.98.

- Susan Doe is not entitled to any of the check.
- She has 1 unrecoverable garnishment deduction.
- Social Security and Medicare Tax cannot be recovered on the amount of the unrecoverable deduction.



In order to determine the correct gross amount owed, and have the correct amount reported to the IRS as taxable wages, divide the unrecoverable amount by the unrecoverable factor for SS/Med of .9235.

This amount will be subtracted from the original gross amount.

191.00 Garnishment

/.9235

\$206.82 Amount to be subtracted from gross



Original amount owed for check date 10/09/13:

\$1990.98

- 206.82 Unrecoverable

\$1784.16 New Gross for **Block 18**

18	Refund Amount: (Lost time multiplied by salary rate)	1,784.16
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Original check figures for **Blocks 21 - 24** will be found in the Paycheck Taxes panel of Review Paycheck.

Taxes								
Tax Entity		State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal						CASD/EE	1,945.66	120.63
US Federal						MED/EE	1,945.66	28.91
US Federal						Withholdng	1,945.66	269.35
State	NY	Y				Withholdng	1,945.66	99.63
State	NY	Y	P0001	NEW YORK		Withholdng	1,945.66	54.69

21	Withholding Tax - Federal		269.35
22	Withholding Tax - State		99.63
23	Withholding Tax - NYC		54.69
24	Withholding Tax - Yonkers		

Because Susan had an unrecoverable garnishment deduction and Before Tax health insurance deducted from her paycheck, the Social Security Tax and Medicare Tax must be recalculated based on the Gross Amount, minus the Unrecoverable Factor, minus the Before Tax health insurance deduction.



Block 19- Social Security Tax being returned.

When you have an unrecoverable deduction, Social Security tax must be calculated on the new gross amount being returned in Block 18, minus any Before Tax deductions.

\$1784.16

- 45.32 Before Tax Health

1738.84	28	State Health Insurance (Non-Taxable)	HIBTRG	45.32
x <u>.062</u>				

107.81 Amount of SS tax being returned

Social Security tax must be within \$.01 to be accepted. OSC will make correction if Social Security is off by more than \$.01

19	Social Security Tax (OASDI/EE) (2011 & 2012 Rate=.042) (Prior to 2011 & Current Rate=.062)	OASDI	107.81
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Block 20a & 20b - Medicare Tax being returned.

Medicare tax must also be calculated on the new gross amount being returned in Block 18 minus any before tax deductions.

\$1784.16

- 45.32 Before Tax Health

1738.84

x .0145

25.21 Amt of Medicare tax being returned

Medicare tax must be within .01 to be accepted. OSC will make correction if Medicare is off by more than .01.

20a	Medicare Tax (MED/EE) (.0145)	FICA	25.21
20b	Additional Medicare Tax (ADDL MED) (.09 of amount over \$200,000)	FICA	

Blocks 25 - 35 should be filled in with the remaining deductions.

All deductions other than the garnishment should be returned since the employee was not entitled to any of the earnings.

25	Retirement - Normal Contribution		
26	Retirement - Loan	610	174.00
27	State Health Insurance (A/T = Taxable)		
28	State Health Insurance (B/T=Non-Taxable)	HIBTRG	45.32
29	Other Health Insurance		
Enter other deductions below (code must be entered as numeric digits or letters as shown in Review Paycheck page).			
		Code	Amount
30	Description CSEA DUES	201	25.19
31	Description CSEA ACC/HTH	307	62.14
32	Description CSEA PREM LIFE	358	21.28
33	Description CSEA PERS LINES	390	90.23
34	Description		
35	Description		

Blocks 19-24- Total Taxes Returned \$556.69.

Blocks 25-35- Total General Deductions Returned \$ 418.16.

Block 36- Total of Deductions Refunded (all taxes and deductions being returned).

\$974.85 Total of Deductions being returned.

36	Total of Deductions Refunded (19 thru 35)		974.85
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Block 37- Refund Amt less deductions refunded

Subtract Block 36 from Block 18

$$\begin{array}{r} 1784.16 \\ - \underline{974.85} \\ \hline 809.31 \end{array} \text{ Block 37}$$

Block 38- Amount of Check being returned.

Check amount was \$809.31.

36	Total of Deductions Refunded		974.85
37	Refund amount less deductions refunded (18 minus 36)		809.31
38	Net Amount of Check being Returned		809.31

Block 39- Balance Due to Employee

Subtract Block 37 from Block 38

\$809.31

-809.31

0.00 Amount Due to Susan Doe

Note: The employee still owes the unrecoverable garnishment amount of \$206.82 to New York State.

36	Total of Deductions Refunded		974.85
37	Refund amount less deductions refunded (18 minus 36)		809.31
38	Net Amount of Check being Returned		809.31
39	Balance Due to Employee (38 minus 37)		0.00
40	Name of Payee	Susan Doe	

For **AC 230s** with unrecoverable deductions, double check your work by adding:

974.85	Box 36 Total of Deductions Refunded
<u>+ 809.31</u>	Box 37 Refund Amount Less Deductions
1784.16	(Should equal Box 18 adjusted gross refund amount)
<u>+ 207.82</u>	Unrecoverable Deduction Factor
\$1990.98	(Should equal original gross on paycheck)

36	Total of Deductions Refunded	974.85
37	Refund amount less deductions refunded (18 minus 36)	809.31
18	Returned Amount (Amount employee not entitled to minus Unrecoverable amounts.)	1,784.16

Paycheck Totals	
Earnings:	1,990.98
Taxes:	572.51
Deductions:	609.16
Net Pay:	809.31

Agency Justification/Remarks

Employee LOA/SUP 09/10/13. Check includes unrecoverable garnishment of \$191.00 / .9235 = \$206.82

Are there any questions on how to complete an **AC 230** when the employee is not entitled to any of the check and there are deductions that cannot be recovered from the vendor?



Example 3: Employee Entitled to Part of the Paycheck

In the case of Samuel Adams, he is overpaid 1 full day. To obtain the daily rate, divide the bi-weekly rate from Paycheck Earnings by 10 (days). Multiply the daily rate by the number of lost days to arrive at the Refund Amount.

$$\begin{array}{r} 828.34 \quad \text{bi-weekly rate} \\ \hline \quad \quad \quad \underline{10} \text{ days} \\ 82.83 \quad \quad \text{daily rate} \end{array}$$

Salaried	
Hours:	80.00
Earnings:	828.34

Since Mr. Adams only needs to return 1 day of pay, his Refund Amount will be the daily rate of \$82.83.

Block **18** is the Gross Amount of Overpayment.

18	Returned Amount (Amount employee not entitled to minus Unrecoverable amounts.)	82.83
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Calculating the Amounts for Blocks 19 thru 35

To accurately calculate a partial return, you must first determine how much the employee was supposed to have been paid. In the case of Mr. Adams:

828.34	Gross Amount Paid
- <u>82.83</u>	Amount Not Entitled To
745.51	Amount Entitled To

To accurately calculate the withholdings, use a web based paycheck calculator such as PaycheckCity.com or a similar tool. Using a web based tool ensures the appropriate year's tax tables are used to calculate the withholdings.

Using a Web Based Paycheck Calculator

1 - Enter the Tax Year and Pay Frequency, Gross Amount the employee should receive, the employee's tax status and exemptions, and any additional deductions to calculate the correct amount of withholdings the employee should have paid. Select "Calculate".

2 - Receive accurate tax & deduction withholdings for the correct gross amount the employee should have been paid.

Salary Paycheck Calculator			
Your Pay Check Results	Calculation Based On		
Bi-weekly Gross Pay	\$745.51	Tax Year	2010
Federal Withholding	\$68.51	Gross Pay	\$745.51
Social Security	\$0.00	Pay Frequency	Bi-weekly
Medicare	\$0.00	Federal Filing Status	Single
New York	\$20.34	# of Federal Exemptions	0
City Tax	\$13.35	Additional Federal W/H	\$0.00
PSC Dues	\$7.83	State	New York
Net Pay	\$635.48	Filing status	Single
		Allowances	0
		Additional State W/H	\$0.00
		NYC Allowances	0
		City Tax	NYC Resident
		PSC Dues	1.05%

New Calculation

Print Options

② Receive This Information

① Enter This Information

AC 230 Worksheet

OSC has combined agency and **AC 230** auditor practices to come up with an **AC 230** Worksheet that will enable agency staff to accurately determine the figures that should be included in Blocks 19 thru 35 on the **AC 230** form.

AC230 WORKSHEET			<u>ORIGINAL</u> <u>CHECK</u>	<u>SHOULD</u> <u>RECEIVE*</u>	<u>RETURN</u>		
EMPL ID	XXX-XX-XXXX	GROSS			0.00		
EMPL NAME		FED TAX			0.00	Verify	Fed=
		NYS TAX			0.00	Withholding	State=
LOST TIME (days)		NYC TAX			0.00	Status &	Local=
FROM DATE		LOCAL TAX			0.00	Exemptions	
TO DATE		SS TAX (FICA) 6.2%			0.00		
		MEDICARE 1.45%			0.00		
PAY GROUP		RETIREMENT 3%			0.00		
PAGE #		RETIREMENT LOAN			0.00		
PAGE LINE #		HEALTH INS. (A/T)			0.00		
		HEALTH INS. (B/T)					
		HIBTCU			0.00		
REMARKS:		OTHER DED PSC Dues			0.00		
		OTHER DED			0.00		
		OTHER DED			0.00		
		OTHER DED			0.00		
		OTHER DED			0.00		
		OTHER DED			0.00		
		NET	0.00	0.00	0.00		0.00

*Calculate the tax and deductions for the "Should Receive" column by using using PaycheckCity.com or a similar paycheck calculation tool.

Calculated by _____

Verified by _____

Payroll for North America>Payroll Processing USA>Produce Payroll>Review Payche

Original Amount minus (-)Should Receive Amount equals (=) Return Amount

Using the **AC 230** Worksheet, enter the original check amounts from Review Paycheck and the Should Receive amounts from Paycheckcity.com.

	<u>ORIGINAL</u> <u>CHECK</u>	<u>SHOULD</u> <u>RECEIVE*</u>
GROSS	828.34	745.51
FED TAX	79.99	68.51
NYS TAX	25.08	20.34
NYC TAX	16.26	13.35
LOCAL TAX		
SS TAX (FICA) 6.2%	0.00	0.00
MEDICARE 1.45%	0.00	0.00
RETIREMENT 3%		
RETIREMENT LOAN		
HEALTH INS. (A/T)		
HEALTH INS. (B/T)		
HIBTCU	6.32	6.32
OTHER DED PSC Dues	8.28	7.83
OTHER DED		
NET	692.41	629.16

Deduct the amount the employee Should Receive from the amount of the Original Check for gross, all withholdings and deductions to arrive at the Return Amount.

Use the Return Amount figures to complete the **AC 230**.

Please attach a copy of the **AC 230** worksheet to the completed **AC 230** form.

	<u>ORIGINAL</u> <u>CHECK</u>	<u>SHOULD</u> <u>RECEIVE*</u>	<u>RETURN</u>
GROSS	828.34	745.51	82.83
FED TAX	79.99	68.51	11.48
NYS TAX	25.08	20.34	4.74
NYC TAX	16.26	13.35	2.91
LOCAL TAX			0.00
SS TAX (FICA) 6.2%	0.00	0.00	0.00
MEDICARE 1.45%	0.00	0.00	0.00
RETIREMENT 3%			0.00
RETIREMENT LOAN			0.00
HEALTH INS. (A/T)			0.00
HEALTH INS. (B/T)			
HIBTCU	6.32	6.32	0.00
OTHER DED PSC Dues	8.28	7.83	0.45
OTHER DED			0.00
NET	692.41	629.16	63.25

Figures from the “Return” column of the **AC 230** Worksheet should be entered in Blocks 19 thru 35 on the **AC 230** form.

Note: Blocks 19-35 should be the difference between what was deducted from the original paycheck and what should have been deducted had the employee been paid correctly.

These figures should not be calculated on the Refund Amount, and they should not be calculated by dividing the original deduction amount by 10 and multiplying by the number of days lost.

18	Returned Amount (Amount employee not entitled to minus Unrecoverable amount.)		82.83
Deduction Amounts (Difference between old and new deduction amount if partial refund, or whole amount if complete refund.)			
		Code	Amount
19	Social Security Tax (OASDI/EE) (2011 & 2012 Rate-.042) (Prior to 2011 & Current Rate-.062)	OASDI	
20a	Medicare Tax (MED/EE) (.0145)	FICA	
20b	Additional Medicare Tax (AMT) (MED) (.09 of amount over \$200,000)	FICA	
21	Withholding Tax - Federal		11.48
22	Withholding Tax - State		4.74
23	Withholding Tax - NYC		2.91
24	Withholding Tax - Yankerr		
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		
Enter other deductions below (code must be entered as numeric digit or			
		Code	Amount
30	Description PSC Dues (1.05x)	470	0.45
31	Description		
32	Description		
33	Description		
34	Description		
35	Description		
36	Total of Deductions Refunded (19 thru 35)		19.58
37	Refund amount less deductions refunded (18 minus 36)		63.25
38	Net Amount of Check being Returned		692.41
39	Balance Due to Employee (38 minus 37)		629.16

Are there any questions on how to complete an **AC 230** when the employee is not entitled to a portion of the check?





- When requesting a direct deposit reversal, an **AC 230** should be submitted immediately.
- When returning checks for contract employees, CON on the Additional Pay panel should be end dated whenever possible.
- 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; personal checks may delay **AC 230** processing.



WHAT QUESTIONS?

