

LEHIGH UNIVERSITY PAYROLL OFFICE

524 Brodhead Avenue  
Bethlehem, PA 18015

PAYROLL DEDUCTIONS  
HOW DO THEY AFFECT THE TAXABLE PAY CALCULATION?

Website: <http://www.lehigh.edu/~inctr>

This document is intended to assist employees by:

- A. Defining payroll deduction.
  - B. Explaining the various mandatory payroll deductions.
  - C. Explaining the voluntary payroll deductions.
  - D. Explaining how payroll deductions (other than taxes) affect taxable income.
  - E. Providing contacts for assistance
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A. [What is a payroll deduction?](#)

A payroll deduction is any amount that is deducted from your gross pay thereby reducing your take-home pay.

B. [What payroll deductions are mandatory?](#) Taxes such as federal withholding, social security, medicare, state withholding, local withholding and state unemployment are generally required unless you are exempt under the tax laws. In addition, employee wage attachments for items such as loan and child support may be required by federal or state law. For many of you, these deductions appear on your pay stub as follows:

Code on Pay Stub	Description
Fed Tax	Federal income tax withholding
Soc Sec	Social security
Medicare	Medicare
PA SIT	Pennsylvania Earned income tax
Bethlhm	Local tax
PA UEC	Pennsylvania Unemployment

C. [What voluntary payroll deductions are available at Lehigh?](#)

Generally, they can be categorized as benefits such as: your Voluntary Retirement Savings Plan (VRSP), or miscellaneous deductions you authorize for items such as: Bethlehem Teachers Credit Union, Dining Services, Bookstore personal charges, your United Way contribution, Liberty Mutual Insurance, medical flexible spending account, dependent care flexible spending account, Savings Bonds, Zoellner subscriptions, Giving to Lehigh, Lehigh University Child Care Center, etc.

D. [How do payroll deductions \(other than taxes\) affect my taxable income?](#)

The calculation of taxable income for federal, state and local tax purposes is affected by the choices you make in flexible benefits enrollment and your Voluntary Retirement Savings Plan (VRSP). In general, you can reduce your tax withholding by enrolling in a VRSP or by contributing to a flexible spending account. Miscellaneous deductions for items such as credit union and dining services do not affect taxable income. However, it is important to note that all deductions will reduce your take-home pay.

E. [Who do I contact if I have a question?](#)

The chart below indicates the appropriate office to which you should direct any questions regarding the amount deducted from your paycheck:

Category	Contact	Phone Extension
Gifts to Lehigh	Development Office	85635
Employee Benefits (including VRSP and flexible spending plans)	Human Resources	83936
Bookstore charges	Bookstore	85132
Lehigh University Child Care Center	Child Care Center	85437
Bethlehem Teachers Credit Union	Payroll Office	83150
Dining Services	Dining Services	85138
Wage Attachments	Payroll Office	83150
Parking Service Fees/Parking Violations	Parking Services	86352
Savings Bonds	Payroll Office	83150
Federal, State or Local Taxes	Payroll Office	83150
United Way	Payroll Office	83150
Liberty Mutual Insurance	Human Resources	83895
Miscellaneous Deductions such as salary advance	Payroll Office	83150
Weight Watchers	Human Resources	83894
Zoellner Subscriptions	Zoellner	86624

