



Office of the State Comptroller
PAYROLL BULLETIN

Subject Taxable and Non-Taxable Health Insurance	Bulletin No. P-590
	Date December 27, 1988

Effective in January 1989, employees have the option of having their State Health Insurance deduction either Taxable or Non-Taxable (paid with pre-tax dollars) for the purpose of Federal, State, City, Yonkers, Social Security or Medicare taxes.

The Office of the State Comptroller will automatically change the Health Insurance deduction to non-taxable for all employees in eligible negotiating units. The Department of Civil Service will send transactions to us for employees who file a waiver and wish their contribution to remain taxable. (Employees with credits on Health Insurance may not participate in this program.)

If the Health Insurance deduction is non-taxable, it is subtracted from the biweekly gross before the deferred compensation deduction is calculated and before the calculations of Federal, State and Local Withholding and Social Security and Medicare tax.

Reports

The following changes in our reports will be made.

The PRG-1 (YTD Summary)

A new field will be added to the summary for YTD Non-Taxable Health Insurance.

The Salary Register

The Salary Register will show a T for Taxable or an N for Non-Taxable preceding the Health Insurance deduction amount on the salary register. Codes 320 (Non-Taxable Health Insurance Deductions) and 322 (Non-Taxable Health Insurance Adjustments) will appear on the totals page.

Check Stub or Direct Deposit Stub

There will be a N for Non-Taxable or a T for Taxable preceding the Health Insurance amount on the check stub. Non-Taxable Health Insurance adjustments will appear in the "Other Deduction" section with code 322.

This program will begin in Pay Period #19 Lag, Administration checks dated January 4, 1989 and Institution checks dated January 12, 1989.