



Oklahoma Conservation Commission

District Directors' Responsibilities:

A 10-Minute Guide Series

This is one in a continuing series of informational/discussion topics designed to help conservation district directors become more informed and knowledgeable about their responsibilities. It is suggested that board members review these guides before a board meeting and then have a ten-minute discussion on them at a meeting.

Guide No. 30 - Understanding District Employee Payroll

Each month conservation districts submit a Payroll Worksheet (Form OCC - 5D) for each employee with their monthly reimbursement claim to the Oklahoma Conservation Commission. This guide explains some of the terminology and procedures for calculating and submitting monthly payroll to the Commission for reimbursement. A copy of the district employee Payroll Worksheet (Form OCC-5D) is on the back of this guide for reference.

When Employees are Paid?

Employee payroll is calculated and reimbursed on a monthly basis. It is at the district board's discretion as to whether employees are paid once a month or twice a month. The OCC recommends paying employees once per month on the last working day of the month.

Payroll Worksheet

The Oklahoma Conservation Commission has developed the Monthly Payroll Worksheet (Form OCC-5D) to calculate an employee's wages and to determine the amount of salary reimbursement. Most lines are explained on the document itself. This guide further explains the portion of the worksheet that are of most importance to districts.

Lines 4, 5, 15, 18 - Excess Benefit Allowance (EBA)

Employees are offered benefit allowances to assist with insurance costs. Employees choose the level of coverage required for themselves and their families. If the level of coverage chosen cost less than the benefit allowance the difference is added back to their paychecks. This is known as an excess benefit allowance (EBA) and is located in line 4 and line 18 of the payroll worksheet.

However, if the level of coverage is greater than the benefit allowance that amount is deducted from the employee's pay check (line 5 & 15) and is paid to the Commission with Preclaim Form (OCC-5C) which is due at the end of each month.

Line 7- FICA (Federal Insurance Contribution Act).

This line is the amount of Social Security tax withheld from an employee's wages. The employee tax rate for social security is currently 6.2%. To calculate the amount of Social Security tax (FICA), Social Security earnings (line 6) is multiplied by the percentage rate.

Line 8 - MQFE (Medicare Qualified Federal Employee).

This line is the amount of Medicare tax that is withheld from an employee's wages. The employee tax for Medicare is currently 1.45%. To calculate the amount of Medicare tax, Social Security earnings (line 6) is multiplied by the percentage rate.

Line 13 - Federal Withholding . This amount is figured using the most current federal tax tables and Line 12 from the payroll worksheet.

To know how much federal income tax to withhold from an employee's wages, the district must have a Form W-4 (Employee's Withholding Allowance Certificate) on file for each employee.

An employee may choose to change the Form W-4 at any time. The changes would take affect in the next pay period.

Federal Payroll Taxes

Conservation districts are required to withhold Social Security and Medicare taxes from employee's wages. Districts are also required to pay a matching amount of these taxes. These taxes along with the employee's withholding taxes are paid monthly. The amount of tax to be paid is calculated by adding lines 7 & 8 from the payroll worksheet and then multiplying by two, and then adding the federal withholding tax (line 13) for each employee. The FICA and Medicare amounts are multiplied by two to cover the employee's and employer's share of the payment. Current tax tables can be found at www.irs.gov.

Line 14 - State Withholding. This amount is calculated using the most current state withholding tax tables and Line 12 from the payroll worksheet. The employee's marital status and number of exemptions are listed on their Form W- 4. This determines the appropriate tax table to use. Current tax tables can be found at www.oktax.state.ok.us

Lines 9, 10 - Retirement. This is the employee's share of retirement which is calculated by multiplying the Total Gross Wages (Line 3) by 3.5 percent. Line 10 is an optional retirement step-up program. If an employee designates to participate in this optional program the decision cannot be reversed. In other words, once in, always in.

Line 20 - Total OCC Reimbursable. This is the amount that the OCC reimburses the district. It includes the total gross earnings, employer share of FICA and Medicare and any excess benefit allowance.

Any questions concerning employee payroll should be directed to OCC District Services Division.

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DISTRICT EMPLOYEE PAYROLL WORKSHEET

EMPLOYEE 2

Employee Name	
Conservation District Name & Number	
Period Beginning & Ending	

	Total Reimbursable	Local	Totals (OCC + Local)
1 Monthly / Hourly Rate of Pay	\$0.00	\$0.00	\$0.00
2 Total Hours in Pay Status	0.00	0.00	0.00
3 Total Gross Earnings <i>(Line 1 x Line 2)</i>	\$0.00	\$0.00	\$0.00
4 EBA (enter zero if negative) <i>(from Confirmation of Benefits)</i>	\$0.00	\$0.00	\$0.00
5 Total Pre-Tax Amount (enter zero if negative) <i>(from Confirmation of Benefits)</i>	\$0.00	\$0.00	\$0.00
6 Total Social Security Earnings <i>(Line 3 + Line 4 - Line 5)</i>	\$0.00	\$0.00	\$0.00
7 Employee FICA <i>(Line 6)* 6.2 Percent</i>	\$0.00	\$0.00	\$0.00
8 Employee MQFE <i>(Line 6)* 1.45 Percent</i>	\$0.00	\$0.00	\$0.00
9 Employee's Share of Retirement <i>(Line 3)* 3.5 Percent</i>	\$0.00	\$0.00	\$0.00
10 Employee's Share of Retirement - Step Up <i>(Line 3)* 2.91 Percent</i>	\$0.00	\$0.00	\$0.00
11 Deferred Compensation	\$0.00	\$0.00	\$0.00
12 Pre-Tax Gross Earnings <i>(Line 3+Line 4 -Line 5 -Line 9 -Line 10 - Line11)</i>	\$0.00	\$0.00	\$0.00
13 Federal Withholding <i>(figured on Line 12)</i>	\$0.00	\$0.00	\$0.00
14 State Withholding <i>(figured on Line 12)</i>	\$0.00	\$0.00	\$0.00
15 EBA (enter zero if positive) <i>(from Confirmation of Benefits)</i>	\$0.00	\$0.00	\$0.00
16 Total Other Items Selected <i>(from Confirmation of Benefits)</i>	\$0.00	\$0.00	\$0.00
17 Total Deductions <i>(Line 7 + Line 8 + Line 9 + Line 10 + Line 11 + Line 13 + Line 14+ Line15 + Line 16)</i>	\$0.00	\$0.00	\$0.00
18 EBA (enter zero if negative)	\$0.00	\$0.00	\$0.00
19 Net Earnings <i>(Line3 - Line 17 + Line 18)</i>	\$0.00	\$0.00	\$0.00
20 Total OCC Reimbursable <i>(Line 3 + Line 7 + Line 8 + Line 18)</i>	\$0.00		

This is to certify that the above-named employee has been regularly employed by this district for the period specified

Employee

Chair