

Notice re: \$1,750 Incentive Payment

Eligible employees under the General MOU will receive two separate paychecks for PP15, payday on July 23, 2014. The payments will consist of 1) a paycheck reflecting pay and benefits for PP15 and 2) an agreement incentive of \$1,750.

Regular Check

The regular paycheck will include pay and benefits for PP15 and is subject to the following:

Tax withholding on the regular paycheck will be based on the employee's W-4 and employee's share of Medicare, if applicable.

Retirement deduction on the employee's regular pay at the employee's full contribution rate (there is no longer a county 7 percent pick-up for employee's previously receiving the pick-up).

Retirement deduction on the employee's agreement incentive pay will also be deducted from the employee's regular paycheck for Tier 1 employees (e.g., employees hired before January 1, 2013). **This additional retirement deduction will only happen one time.**

For employees subject to wage garnishments, those garnishments will be deducted from the employee's regular paycheck but the garnishment amount may be increased by the incentive payment.

Employees who elected to defer the incentive payment to a 457(b) account (deadline to elect was by close-of-business June 30, 2014) should keep in mind that there will still be additional deductions from their regular paycheck as discussed above.

Agreement Incentive

The agreement incentive is a lump-sum payment to eligible employees. The payment will be subject to tax withholdings as described below.

The incentive payment meets the US Treasury definition of supplemental wages which is subject to tax withholding at the mandatory supplemental flat rate of 25 percent Federal and 6.6 percent State. Medicare withholding of 1.45 percent may also apply.

Employees having questions about personal income taxes should consult their tax professional.

Direct Deposit

Direct deposit of both the regular paycheck and the incentive payment will be deposited based on employee's current direct deposit instructions on file.