

DATE: April 6, 2005

SUBJECT: Deductions on the 3rd paycheck of a month

Periodically, there are three paydays in a month, rather than the normal two. On the third paycheck of the month, you do not see all the deductions typically taken in a pay period. With few exceptions:

The following deductions are not taken on the third paycheck:

- Medical Insurance
- Dental Insurance
- Life Insurance - employee, spouse, child
- Accidental Death Insurance - employee, spouse
- Short Term Disability Insurance
- Long Term Disability Insurance
- Pre-Tax Flexible Spending Expense Accounts

Exception: One-time insurance adjustments may be processed on the third paycheck.

For garnishments, the following guidelines apply to child support deductions:

- Employees with a monthly obligation normally have half of their monthly obligation taken in each of the first two paychecks of the month. If the full monthly obligation is taken in the first two paychecks of the month, then the employee will not have any support taken in the third paycheck of the month. If the employee does not have the full monthly obligation taken during the first two paychecks of the month, then the employee will have an amount deducted on the third paycheck, up to the monthly obligation, subject to the Consumer Credit Protection Act limits.
- Employees with a biweekly or weekly obligation have the same amount deducted on each paycheck, including the third paycheck.