



## New System Pay Statement

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State of Hawaii Central Payroll  
P.O. Box 119  
Honolulu, HI 96810

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###M###  
Payroll Number: M14  
Pay Begin Date: 03/01/2018  
Pay End Date: 03/15/2018

###M14051###  
Warrant Dist: 051  
Advice #: 000000000000005  
Advice Date: 03/20/2018

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Joe Aloha  
12345 Plumeria Road  
Honolulu, HI 96816

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Self-Service ID: 00123456  
Department: SOH-State of Hawaii

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TAX DATA:  
Marital Status: Single  
Allowances: 1  
Addl. Percent:  
Addl. Amount:

Federal  
Single  
1

HI State  
Single  
1

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HOURS AND EARNINGS

Description	Rate	Current Hours	Earnings	Hours	YTD Earnings
Regular			4,583.50		27,501.00
TOTAL:		0.00	4,583.50	0.00	27,501.00

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TAXES

Description	Current	YTD
Fed OASDI/EE	260.15	1,560.90
Fed MED/EE	60.84	365.04
Fed Withholding	624.59	3,747.54
HI Withholding	303.62	1,821.72
TOTAL:		1,249.20 7,495.20

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BEFORE-TAX DEDUCTIONS

Description	Current	YTD
Reg Retir hire before 7/1/2012	275.01	1,650.06
Dental Pre Tax	21.33	127.98
EUTF PreTax Medical	279.22	1,675.32
Prescription Drug Pre Tax	84.52	507.12
Vision Pre Tax	2.41	14.46
TOTAL:		662.49 3,974.94

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AFTER-TAX DEDUCTIONS

Description	Current	YTD
TOTAL:		0.00 0.00

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EMPLOYER PAID BENEFITS

Description	Current	YTD
Retiree Health Insurance ER	430.39	1,291.17
ER Prescription Drug	0.00	182.87
ER State Vision Care	0.00	5.40
ER State Dental Plan	0.00	47.97
ER State Medical	0.00	591.93
TOTAL:		*TAXABLE

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TOTAL GROSS

	Current	YTD
Current	4,583.50	27,501.00
YTD		

FED TAXABLE GROSS

	Current	YTD
Current	3,921.01	21,726.06
YTD		

TOTAL TAXES

	Current	YTD
Current	1,249.20	7,495.44
YTD		

TOTAL DEDUCTIONS

	Current	YTD
Current	662.49	3,974.94
YTD		

NET PAY

	Current	YTD
Current	2,671.81	16,030.86
YTD		

NET PAY DISTRIBUTION

Account Type	Account Number	Deposit Amount
Advice #000000000000005 Checking	XXXXXX4507	2,671.81
TOTAL:		2,671.81

**To access your pay statement** go to the Hawaii Information Portal at [HIP.hawaii.gov](http://HIP.hawaii.gov). Employees can use their User ID and password to gain access.

*Please familiarize yourself with your new pay statement. If you have questions, please contact the Hawaii Information Portal (HIP) Service Center at **808-201-SERV (7378)** or email at **[hip@hawaii.gov](mailto:hip@hawaii.gov)**.*

# Comparison of Pay Statements from the Old and New Systems

Area	Description	Fields on New System Pay Statement	Differences Between Old and New Statements, Additional Information
1	<b>Employer Name and Business Address</b>	<ul style="list-style-type: none"><li>Employer name and business address</li></ul>	<ul style="list-style-type: none"><li><b>Old Statement:</b> Only listed the name of the employer – State of Hawaii.</li><li><b>New Statement:</b> Lists both the name and the address of the employer.</li></ul>
2	<b>Payroll Information</b> <i>Consists of payroll information.</i>	<ul style="list-style-type: none"><li><b>Payroll Number:</b> The payroll number indicates the division.</li><li><b>Pay Begin Date:</b> The start date of the current payroll cycle</li><li><b>Pay End Date:</b> The end date of the current payroll cycle</li><li><b>Warrant Dist:</b> The warrant distribution code defines the branch</li><li><b>Advice #:</b> The number assigned to the employee’s pay</li><li><b>Advice Date:</b> The date the funds are available</li></ul>	<ul style="list-style-type: none"><li><b>Items Renamed from the Old Statement to the New Statement:</b><ul style="list-style-type: none"><li>Check Dist. became Warrant Dist.</li><li>Period Ending became Pay End Date</li><li>Check Date became Advice Date</li></ul></li><li><b>New Statement:</b> Added categories for Pay Begin Date and advice number.</li></ul>
3	<b>Employee Name and Payroll Address</b> <i>Displays employee information.</i>	<ul style="list-style-type: none"><li><b>Employee Name:</b> The name of the employee</li><li><b>Employee Payroll Address:</b> The address of the employee</li></ul>	<ul style="list-style-type: none"><li><b>Old Statement:</b> Only listed the name of the employee</li><li><b>New Statement:</b> Lists both the name and the address of the employee.</li><li>Hawaii Information Portal (HIP) will have a feature for employees to update their payroll address. This address will be used for paper paycheck, pay statement and W2 generation purposes. HIP will be pre-loaded with employees’ current payroll addresses if it exists in the old system or they will be defaulted to their agencies address. This information can be updated at any time the employee desires. For our employees’ personal security, the feature in HIP for viewing/updating a payroll address is limited to use with computers connected to the State’s network.</li></ul>
4	<b>Tax Data</b> <i>Shows what the employee has designated for federal and state taxes, which determines how much Federal and Hawaii State taxes are withheld from a paycheck.</i>	<ul style="list-style-type: none"><li><b>Marital Status:</b> Marital status of the employee for tax withholding purposes</li><li><b>Allowances:</b> Withholding allowances selected for Federal and State</li><li><b>Addl. Percentage:</b> Additional percent withholding</li><li><b>Addl. Amount:</b> Additional amount withholding</li></ul>	<ul style="list-style-type: none"><li><b>Old Statement:</b> Only listed number of exemption based on marital status.</li><li><b>New Statement:</b> Social Security deductions are now labeled as Fed OASDI/EE (Old-Age, Survivors and Disability Insurance) – formal name of the program. Medicare deductions are now labeled as Fed MED/EE. Additional lines will provide information if the employee chooses additional tax deductions.</li><li>There are two ways in which tax withholding choices will differ in HIP.<ol style="list-style-type: none"><li>In HIP employees will have the flexibility to make different tax choices for Federal (W4) and State (HW-4) tax withholdings, whereas employees currently must select the same tax marital status for both W4 and HW-4 withholdings due to system limitations. For instance, HIP will allow them to use “Married” on their W4 and “Married but withhold at higher Single rate” on their HW-4, or vice versa. This will give employees greater control over their taxes, to meet their own financial needs. Employees who have multiple jobs with the State of Hawaii will make the same tax withholding choices in HIP for all positions they have with the different departments or jurisdictions. Taxes withheld will be under a single employer, the State of Hawaii. This will continue to ensure that an employee does not exceed annual federal tax contribution limits under the state as a single employer.</li><li>HIP will allow employees to make their tax withholding choices online, as opposed to completing hard copy forms later in the year. For our employees’ personal security, the feature in HIP for making tax withholding choices is limited to computers connected to the State’s network.</li></ol></li></ul>
5	<b>Hours and Earnings</b> <i>Reports the employee’s regular monthly salary and/or how many hours worked in the pay period, including over time, holiday hours, and vacation hours.</i>	<ul style="list-style-type: none"><li><b>Regular:</b> Includes base pay – current earnings and year to date (YTD) earnings</li><li><b>Additional Pays:</b> Advance, Differential Pay, etc. – current earnings and year to date (YTD) earnings</li></ul>	<ul style="list-style-type: none"><li><b>New Statement:</b> Adds category for rate if hourly and YTD calculations for Hours and Earnings. The new statement will include additional lines for other categories of additional pays such as Wages-In-Kind, etc.</li><li>Changes in gross pay due to earnings calculation differences. The old system allows for hourly pay to be entered with up to three decimal places for the hours and the rate, which are multiplied to produce the amount of pay at two decimal places. HIP will provide a similar calculation with up to two decimal places for the hours and up to six decimal places for the rate, which will also be multiplied to produce the amount of pay at two decimal places. This will provide for more accurate calculations.</li></ul>
6	<b>Taxes</b> <i>Shows taxes deducted.</i>	<ul style="list-style-type: none"><li>This is your taxes withheld from your current pay.</li></ul>	<ul style="list-style-type: none"><li><b>Items Renamed from the Old Statement to the New Statement:</b> Soc Sec became Fed OASDI/EE</li><li>There are three ways in which tax calculations and routines will occur differently in HIP than in the old system.<ol style="list-style-type: none"><li>HIP will calculate the Social Security and Medicare (a.k.a, FICA) taxes each time the system processes a semi-monthly payroll by reviewing each employee’s pay and combining it with their overall calendar year pay to determine the correct amount to be withheld. This “true up” process or annualized method ensures that the taxes withheld are correct for the employee as a whole for the year, rather than on an individual paycheck basis. As a result of this type of accuracy and compliance, there may be rounding changes for employees on an individual paycheck basis when the annualized wages are multiplied by the tax rate. In addition to rounding differences, this means that if wages-in-kind (WIK) or other taxable wages were assigned to a check and no earnings were paid to withhold the related tax, HIP will true up the tax and withhold from a subsequent check the correct annual tax amount required for the calendar year. In this same situation, the old system today would not have an opportunity to withhold the tax and would therefore remain out of balance unless a manual balance adjustment to recategorize taxes was done, or only at final, year-end processing of annual W-2 statements. Furthermore, employees with multiple jobs may be FICA-eligible with one job and not FICA eligible in another in the old system which doesn’t currently account for their total wages, whereas HIP will true up FICA as multiple jobs are</li></ol></li></ul>

Area	Description	Fields on New System Pay Statement	Differences Between Old and New Statements, Additional Information
			<p>recorded as being under the same employer. This manner of calculation in HIP keeps the employee’s withholdings accurate at year end and complies with IRS regulations.</p> <ol style="list-style-type: none"> <li>HIP annualizes Federal and State withholding taxes. What this means is that the check looks back at the employee’s tax balances from the beginning of the calendar year, adds current taxable wages, determines annual taxes due, reduces what has been withheld in previous checks, and withholds the difference for the current check. The advantage of this type of taxation method is to withhold as accurately as possible, which is especially important for people who have variances in pay between pay periods. In comparison, the old system calculates federal and state withholding taxes for the current semi-monthly pay period only.</li> <li>The third tax type difference is the way HIP handles multiple checks for an employee in the same pay period. Two separate checks within the same pay period are calculated autonomously in HIP using an annualization method to ensure that the employee’s withholdings are accurate by year-end based on their tax withholding forms. The old system calculates withholdings for the current pay period only and combines multiple checks into one calculation which means that a smaller check may have had more withheld.</li> </ol>
7	<b>Before-Tax Deductions</b>	<ul style="list-style-type: none"> <li><b>Before-Tax Deductions:</b> Items listed in this box are taken from the employee’s gross wages before taxes. These deductions reduce the Federal taxable wages and therefore the employee’s tax withholding. Current and year to date (YTD) are listed.</li> </ul>	<ul style="list-style-type: none"> <li><b>Old Statement:</b> Mixed together pre-tax and after-tax deductions in the Deductions/Reductions Section and the Retirement Section. Additionally, it used two letter codes to indicate the type of deductions with a key.</li> <li><b>New Statement:</b> Before-tax deductions are separated out from after-tax deductions and a descriptive label is used in place of the code.</li> <li>Calculated on a per pay period basis, taken out twice per month.</li> </ul>
8	<b>After-Tax Deductions</b>	<ul style="list-style-type: none"> <li><b>After-Tax Deductions:</b> Items listed in this box are deducted from the employee’s gross wages and have no effect on the taxable wages. Current and year to date (YTD) are listed.</li> </ul>	<ul style="list-style-type: none"> <li><b>Old Statement:</b> Mixed together pre-tax and after-tax deductions in the Deductions/Reductions Section and the Retirement Section. Additionally, it used two letter codes to indicate the type of deductions with a key.</li> <li><b>New Statement:</b> After-tax deductions are separated out from before-tax deductions and a descriptive label is used in place of the code.</li> <li>Garnishment of wages. Garnishment orders are required payments (flat, percentage-based, or a combination of both) to an entity as a matter of law. In the old system, garnishment calculations are not updated automatically with pay changes and garnishment payments are taken out of employees checks according to a flat amount only for student loan garnishments. Garnishment calculations in HIP will be adjusted accordingly with pay changes and will accurately comply with the legal order received by the State. Therefore, if a garnishment order requires a percentage of pay for example, HIP will garnish wages of an employee according to the stated percent.</li> <li>Statutory dues calculation differences. If any collective bargaining agreement in effect with the State of Hawaii is calculated on a flat-amount basis, or on a both percentage and a flat-amount basis, such that an employee’s paycheck deduction for union dues cannot be split exactly in half for a given month, the odd amount will be rounded up for deduction purposes. This shall only pertain to collective bargaining agreements where it’s impossible for monthly statutory dues to mathematically be split in half.</li> <li>Calculated on a per pay period basis, taken out twice per month.</li> </ul>
9	<b>Pay Statement Summary</b>	<ul style="list-style-type: none"> <li><b>Total Gross:</b> The gross pay received.</li> <li><b>Fed Taxable Gross:</b> The federal taxable gross.</li> <li><b>Total Taxes:</b> The total of Federal and State withholdings.</li> <li><b>Total Deductions:</b> The total of the before tax and after-tax deductions.</li> <li><b>Net Pay:</b> The gross pay less deductions and tax withholdings paid to the employee.</li> </ul>	<ul style="list-style-type: none"> <li><b>Old statement:</b> Only showed YTD for Gross Earnings, Gross Pay for the current pay statement, total deductions/reductions for the pay statement which combined taxes and deductions/reductions, and the net pay.</li> <li><b>New statement:</b> the summary now shows more information with YTD calculations for all categories, splitting the taxes and other deductions, and the federal taxable gross.</li> </ul>
10 New	<b>Other Employee Information</b> <i>Displays employee information.</i>	<ul style="list-style-type: none"> <li><b>Self Service ID:</b> The employee issued self-service identification number</li> <li><b>Department:</b> The employee’s primary department</li> </ul>	<ul style="list-style-type: none"> <li>The Self Service ID is used as the User ID when logging into HIP.hawaii.gov to manage the employee’s information using the employee self-service features in the Hawaii Information Portal.</li> </ul>
11 New	<b>Employer Paid Benefits</b> <i>Shows employer paid benefits.</i>	<ul style="list-style-type: none"> <li>If any amounts are included as taxable income, they will be indicated with an asterisk. Current and year to date (YTD) are listed.</li> </ul>	<ul style="list-style-type: none"> <li>This new section details the contributions of the State of Hawaii on behalf of the employee to various benefit programs.</li> <li>Calculated on a per month basis, added to once per month.</li> </ul>
12 New	<b>Net Pay Distribution</b> <i>Shows net earnings for the pay period.</i>	<ul style="list-style-type: none"> <li>This information notes how the earnings for this pay period were paid to the employee.</li> </ul>	<ul style="list-style-type: none"> <li>Lists all of the direct deposit distributions based on how they were set-up using the employee self-service features in HIP.</li> <li>If you have more than one account set up for direct deposit, each account, account type (checking/savings) and the amount of deposit will be shown.</li> </ul>
13	<b>Position Number</b>	<ul style="list-style-type: none"> <li>Field discontinued on New System Pay Statement</li> </ul>	
14	<b>Bank Code</b>	<ul style="list-style-type: none"> <li>Field discontinued on New System Pay Statement</li> </ul>	<ul style="list-style-type: none"> <li>The Bank Code is no longer valid as the employee can set up direct deposits to banks/credit unions and the details will be shown in the Net Pay Distribution Section of the New Statement.</li> </ul>
15	<b>Bonds</b> <i>Number of Bonds Issued</i> <i>Bond Balance</i>	<ul style="list-style-type: none"> <li>Field discontinued on New System Pay Statement</li> </ul>	<ul style="list-style-type: none"> <li>The bond savings program was discontinued in 2011 by the State of Hawaii. This field was removed from the new statements.</li> </ul>