



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

OCT 24 2003

COMPTROLLER'S MEMORANDUM NO. 2003-25

TO: Heads of Departments

ATTN: Payroll Offices

SUBJECT: FICA Code for One-Time Lump Sum Cash Bonus Voluntary Severance Benefit

Effective November 1, 3002, FICA code "7" is to be used on the payroll change schedule for compensation paid as the one-time lump sum cash bonus voluntary severance benefit established by Act 253, Session Laws of Hawaii (SLH) 2000.

The cash bonus voluntary severance benefit is:

1. Subject to Social Security and Medicare Taxes;
2. Subject to State and Federal Income Taxes;
3. Not eligible for Retirement Deduction;
4. Eligible for Tax Shelter Annuity Deferral;
5. Subject to the following payroll deductions: GA, DT, PP, OP, and OS; and
6. Not eligible for other payroll deductions.

When entering the cash bonus voluntary benefit on the payroll change schedule, please do the following:

1. Use payment type code "E", without number of pay periods;
2. Mark the "No Vol. Ded." field; and
3. Eliminate the Bargaining Unit Code.

If there are any questions pertaining to the coding on the payroll change schedule, please call the Central Payroll staff at 586-0629.


RUSS K. SAITO
State Comptroller

OCT 28 2003