



## DEDUCTION AUTHORIZATION

### Completion Instructions

- Complete form to indicate various deductions from the employee's wages or other compensation. Do **NOT** use this form for New York employees (see specific New York forms).
- Submitting Paperless: Follow system prompts to submit information to Insperity.
- Submitting Paper Forms: Submit completed, signed form to your Insperity payroll specialist.

Employee Name	Last 4 Digits of Social Security No. OR →	Insperity Employee ID No.
Client Company Name		Client Number

### COMPENSATION REDUCTION

Check One:	<input type="checkbox"/> Unaccrued use of PTO Amount \$ _____
	<input type="checkbox"/> Overpayment of wages Amount \$ _____
	Type of overpayment (ie: Salary, Commission, etc.) _____
	Pay Date(s) overpayment occurred _____ (if not sure give a date range)

### POST-TAX DEDUCTIONS

- Common deductions are loans, tools, uniforms, credit union, insurance plan, etc. which are not sponsored or administered by Insperity.
- Recurring deduction – A fixed amount per paycheck. Mark the "Recurring" box and complete the "Effective Date" and "Amount or % per Check" fields. Complete either the "End Date" or "Number of Payments" field, if applicable.
- Declining deduction – A fixed balance is owed. The system will calculate the remaining balance due with each paycheck and terminate the deduction when the balance is paid. Mark the "Declining" box and complete the "Effective Date," "Amount or % per Check" (enter the per check amount) and "Balance Due" fields.

Deduction Description	Choose One	Effective Date (mm/dd/yyyy)	End Date (mm/dd/yyyy)	Amount or % per Check	Balance Due	Number of Payments
	<input type="checkbox"/> Recurring			\$ _____		
	<input type="checkbox"/> Declining			% _____	\$ _____	
	<input type="checkbox"/> Recurring			\$ _____		
	<input type="checkbox"/> Declining			% _____	\$ _____	
	<input type="checkbox"/> Recurring			\$ _____		
	<input type="checkbox"/> Declining			% _____	\$ _____	

I HEREBY AUTHORIZE INSPERITY TO MAKE THE ABOVE DESCRIBED DEDUCTION(S)/REDUCTION(S) FROM MY WAGES FOR EACH PAY PERIOD, SUBJECT TO MY RECEIVING MINIMUM WAGE. However, any outstanding balance of a loan pay advance or for unaccrued use of PTO can take my final wages below minimum wage (unless employed in California). I authorize deductions of amounts shown in this form from any amounts due to me, including but not limited to wages, salary, commissions, bonuses, severance, separation pay, expense reimbursements, vacation, sick time paid time off. The above deduction(s)/reduction(s) from my wages or other compensation shall commence on the next payday following the effective date of this authorization and continue each payday thereafter until the entire amount of the underlying obligation for which the deduction/reduction is being made shall have been paid in full, or the benefit or service for which the deduction/reduction is being made is terminated. I understand that any change to the deductions/reduction authorized above must be made in writing and delivered to the Payroll Contact who will in turn deliver to Insperity's Client Services Payroll Specialist at least three days prior to the effective date of the change. I understand that any cancellation or forgiveness of amount owed by me is considered compensation for tax purposes and must be reported as income and appropriate withholding must occur which will affect the net amount of my check.

***This Authorization is subject to applicable law.***

**For all Employees outside of California:** I further agree that, if my employment is terminated the entire remaining balance of the amount due according to the terms of the agreements for which the above described deduction(s)/reduction(s) are authorized may be deducted/reduced from my final wages limited to my receiving minimum wage and if my final wages are insufficient to pay the entire balance, any remaining amount shall be due and payable in full to client company within thirty days thereafter. I understand that any wages advanced to me including in the form of PTO advanced but not accrued will be reduced from my final paycheck upon termination of my employment with said client company and Insperity which may reduce my final wages below minimum wage if not previously reduced prior to my termination.

**For California Employees:** I further agree that, if my employment is terminated and there is any remaining balance due on the total amount according to the terms of the agreements for which the above-described deduction(s) are authorized, the remaining balance shall be due and payable in full to client company within thirty days thereafter.

Employee Signature	Date Signed (mm/dd/yyyy)
Onsite Supervisor Signature	Printed Name
	Date Signed (mm/dd/yyyy)





**ADDITIONAL INFORMATION**

1. **General.** Several state laws require that a deduction from an employee's wages/ compensation be authorized in writing by the employee unless the deduction is otherwise authorized or required by law (e.g., income tax withholding, FICA, etc.) or made pursuant to a court order (e.g., a child support garnishment). This form is intended to satisfy the written authorization requirement of these laws. This form may also be used in other states to document that an employee is aware of and consents to a deduction in his/her wages/ compensation. A copy of the agreement upon which the deduction authorization is based should be attached to this deduction authorization form whenever possible.
2. **Reimbursement.** Where a pay reduction is being made in repayment of an overpayment to the employee, include a brief description of the type of overpayment, such as salary, commission, etc. and a date that the overpayment occurred (or date range if there was more than one overpayment or the exact date is not known).
3. **Deductions from Exempt Pay.** There are limitations regarding deductions that can be taken from exempt pay. Consult with your HR Specialist prior to taking any deductions from exempt pay.
4. **Manual Payments of Declining Deductions.** If the employee provides the client company with manual payments (not recorded on a paycheck), report these amounts to your Insperity payroll specialist to ensure proper recordkeeping of the balance due.
5. **Cancellation or Forgiveness of Remaining Balance.** If any or all of the remaining balance due is cancelled or forgiven, promptly report this to your Insperity payroll specialist to avoid future deductions from pay. Debt forgiveness is considered "compensation" by taxing authorities and must be reported as income to the employee in the year the debt is forgiven. This income must be recorded with other wages and appropriate withholding must occur which will affect the net amount of the employee's check.
6. **Insperity Benefit Plans, Programs, etc.** If the deduction is for an Insperity sponsored or administered plan, service, or program (e.g., the Insperity Benefit Plan, People's Trust Federal Credit Union, or Insperity 401(k) Plan), it is not necessary to complete this form since the employee's enrollment in those plans or programs includes express authorization for Insperity to make a deduction from the employee's wages/compensation.
7. **Form Retention.** The form should be retained in the payroll records of the employee by the Insperity payroll contact at the Client location to which the employee is assigned for a minimum of twenty-four months following the termination of the deductions described on the form.
8. **Review & Audit.** This form will be a part of Insperity's records which are subject to review and audit by Insperity's Internal Audit Department as well as Insperity's external auditors and must be available to them on demand, to verify proper authorization for deductions from an employee's wages/compensation.
9. **Form Not a Substitute.** This form is not a substitute for, and is not intended to be used in lieu of, any underlying agreement upon which the authorized deduction is based. A separate document should be used to define the terms of any loan, uniform rental, tool purchase, or other agreement for which the payroll deduction is being made.

**State Specific Information:**

10. **California Deduction from Final Pay.** California law prohibits the employer from deducting the balance of an obligation (previously authorized in writing by the employee) from the final paycheck (a "balloon payment").
11. **New York Deduction from Pay.** This form should not be used for New York employees. An employer may make deductions only to recover wage advances, to recover overpayments, for certain purposes which provide a benefit to the employee, or other reasons authorized or required by law. To make these types of deductions, refer to one of the following New York Deduction forms:
  - Deduction Authorization New York - Voluntary Deductions (Form 10881)
  - Deduction Authorization New York - Vacation Advance Notice (Form 10882)
  - Deduction Authorization New York - Notice of Intent to Recover Wage Overpayment (Form 10883)
  - Deduction Authorization New York - Wage Advance (Form 10893)