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## **CHRISTMAS / YEAR-END EMPLOYEE BONUS PAYOUTS**

While it may be difficult to believe, Christmas is just a couple of months away. If your parish wishes to pay year-end or Christmas bonuses to the employees, please be sure to plan ahead. Federal law and IRS regulations prohibit compensation from being paid to employees without appropriate reporting and tax deductions being applied. Accordingly, any extra pay or bonuses **must also be paid through the Diocesan Payroll Office for all employees**. For all other Diocesan employees, any extra pay or bonuses must be paid through the payroll system utilized at their location.

We can accommodate creating bonus checks from either the gross earnings (with appropriate taxes being withheld), or 'net' earnings (and the system will calculate the gross amount to cover the applicable taxes due).

However, we do need adequate time to process these additional checks. Accordingly, should you wish to have year-end and/or bonus checks created for your employees, you will need to provide the Payroll Office with an employee listing of the desired amount of the pay amount for each employee's check.

Please be very explicit in your request to let the Payroll Office know if you are submitting "**gross**" or "**net**" amounts. The Payroll Office will then supply you with the appropriate pay stubs to distribute with your bonus checks. As you will recall, the manual check process is for the parishes to cut the checks directly after the payroll information has been entered into the payroll systems. Please reference the "Manual Payroll Check Process" policy if you have further questions. It can be found on the Payroll webpage of the Finance office at: <http://www.covdio.org/policies-procedures/> or the direct link to the policy at: <http://www.covdio.org/wp-content/uploads/2014/12/Payroll-Manual-Payroll-Check-Process.pdf>

The earlier you can provide this information to the Payroll Office, the better. The **deadline date for submission of bonus/year end checks is November 15**. Those checks will be dated November 30. If you miss that date, your checks will have to be run with the regular payroll run and the deadline will be the normal call-in date for the payroll in which you need the checks. Information received after the normal call-in date, will be cut on the next payroll run.