



# State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

March 10, 2005

## MEMORANDUM NO. PYR2005-005

**TO:** All Agencies Served by the State Controller's Office  
Payroll Section

**FROM:** Roger Farmer

**SUBJECT:** Payroll CE File Users

The purpose of this memorandum is to provide notification, to all Agencies, Institutions and Universities receiving their Current Earnings (CE) File interfaces from Central Payroll, concerning the working of the Imputed Income deduction code "055". The Imputed Income deduction code "055" has two functions:

### NON-SPLIT TRANSACTIONS

1. The amount of this deduction is subject to Social Security, Federal and State Taxes; but not Retirement. The Imputed Income amount is added to the employee's Gross Pay, but not to the employee's Regular Pay.
2. The Imputed Income amount is deduction code "055" in the CE file.

### SPLIT TRANSACTIONS

1. The Imputed Income is added to the employee's Gross Pay.
2. A split line in the amount of the Imputed Income is created using the subhead for the employee's major record and inserting the sub-account number '998".

The Programming Section that receives your CE file interface should be contacted immediately and provided with a copy of this memorandum. If there are any questions, contact Roger Farmer at (919) 981-5545.

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