SIMRP & YOUR PAYCHECK

A simple guide for Alvord ISD employees

The short version: SIMRP is designed to lower the amount of your pay that is subject to certain taxes, which can increase your take-home pay. Your gross salary does not change.

WHAT HAPPENS ON YOUR PAYCHECK

1 Your salary stays the same

SIMRP changes the tax treatment of a portion of your compensation; it does not reduce your gross salary.

2 A SIMRP premium appears

You may see a large SIMRP premium/deduction on your paycheck. Do not look at that line by itself.

3 The same amount is reimbursed

The SIMRP reimbursement adds that premium amount back. The goal is to change tax treatment, not take that amount away from you.

4 You keep part of the tax savings

Because taxable income is lower, certain tax withholding may be lower. Your actual savings depends on your individual payroll and tax information.

XO FINANCIAL EXAMPLE

Monthly employee example provided by XO Financial:

	Before SIMRP	With SIMRP
Gross Income	$3,958.33	$3,958.33
Taxable Income	**$3,458.33**	**$2,285.33**
Federal Withholding	$415.00	$274.24
Medicare	$50.15	$33.14
TRS (8.25%)	$326.56	$326.56
Net Pay	**$2,666.62**	**$2,710.39**

In this example: +$43.77 per month in take-home pay

DON'T PANIC ABOUT THE DEDUCTION

A SIMRP premium can look large, but the example shows a matching SIMRP reimbursement. Review both lines together.

WHY YOUR SAVINGS MAY DIFFER

Your enrollment amount was an estimate. Actual savings can change when final pre-tax medical and other benefit deductions are applied.

WHAT STAYS THE SAME

• No cost to you to participate in SIMRP. • Your existing benefits are not reduced. • The Alvord ISD guidance says your take-home pay remains higher with SIMRP than it would be without it.

Questions about your specific paycheck? Contact the Alvord ISD Business Office or XO Financial.

General employee guide based on XO Financial SIMRP materials and Alvord ISD SIMRP guidance. Individual withholding and savings vary.