



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

PAYROLL BULLETIN

TO: All State Agencies, Boards and Commissions
FROM: Kathleen Killion, Assistant Comptroller - Operations
DATE: February 07, 2024
SUBJECT: Non-Pensionable Additional Gross Payments
NUMBER: 1-24

This payroll bulletin is regarding certain additional gross codes assigned by the Illinois Office of Comptroller (IOC). Historically certain employee expense reimbursements and allowances have been subject to retirement contributions. Based on updated interpretations from the State Employees' and Teachers' Retirement Systems, employee retirement contributions must not be withheld on the following types of payments:

- Clothing allowances (Additional Gross Code 1)
- Travel reimbursements of any type (Additional Gross Code 2)
- Meal allowances (Additional Gross Code 4)
- Moving expense reimbursements of any type (Additional Gross Code 8)

Therefore, Additional Gross Codes 1, 2, 4, and 8 are no longer subject to retirement contributions effective with payroll voucher files received by the IOC on or after April 1, 2024. These types of payments must not have retirement contributions withheld and will no longer be included in Tier 2 employees' annual salary limit. Payroll processors should contact the IOC payroll department to arrange submission of a test file once system changes are complete.

If you have questions concerning this Payroll Bulletin, please contact Katie Guy at katie.guy@illinoiscomptroller.gov. Agencies may access this and other [Accounting](#), [Payroll](#), and [SAMS](#) Bulletins on the IOC website.