

ADDITIONAL PAYMENT INSTRUCTIONS

The additional payment is used to produce an additional payment for an employee for pay that does NOT come from the employee's regular job OR to add to the employee's current, normal payment.

To process an AP form, complete the following fields:

1. Year – Enter calendar year
2. PAY ID– Enter BW- biweekly, MN-monthly, and SM-summer
3. Pay ID - Pay numbers can be found on the payroll calendar which is available on the Payroll website.
4. EMPLOYEE ID# - Enter the employee's ID number.
5. FIRST NAME – Enter the employee's first name
6. LAST NAME - Enter the employee's last name
7. POSITION #1 – Enter the employee's current position number.
8. EARN CODE- Enter the earnings type of the Additional Payment (all earnings types are valid).
 - Staff:
 - STI (stipend)
 - OVL (overload)
 - RGH (hourly)
 - RGS (salaried)
 - COM (commission).

If the additional payment is for a regular employee (i.e., in addition to their regular salary), the earnings type **MUST** be coded as “STI” or “OVL”. **Additional payments for Temporary Faculty** should be entered with an earnings type of “RGS”.
9. HOURS- amount of hours for this additional payment
10. PAY RATE- amount per hour
11. AMOUNT- the amount in total for this additional payment and position
12. INDEX- The index this transaction should be charged to.

ADDITIONAL PAYMENT INSTRUCTIONS Continued

13. POSITION #2- employees can be paid multiple additional payments per pay period for different positions. You may follow steps 7-12 if this is valid.
14. BUDGET TRANSFER: This is the index that a portion of the funds may need to be moved to. Please provide amount if this is valid. *please see additional explanation on page 3-4 of this document.
15. DESCRIPTION: a description of the reason for the additional payment is necessary for processing
16. AUTHORIZED BY: Sign the AP, obtain approval signatures, and forward the form to the Provost's Office, MS 3400, (If faculty) or to Human Resources, MS 3150 (if staff). All additional payments require at least three signatures. It will not be processed until that is complete. If this is a grant index, the grant accountant will need to sign.

*calculation of payment instructions is located on page 3-4.

CALCULATING PAYMENT

To determine the amount to be entered in the Rate/Amount field on the AP form, following the calculation procedures below based on the end result you are trying to determine:

Examples are based on a \$1,000 figure. Replace \$1,000 with the required number.

If the budget should be charged a total of \$1,000

FICA Rate: .062 Medicare Rate .0145

MOSERS Rate (FY 2015): .1697 CURP Rate (FY 2015): .0616

Step 1: Calculate rate to be used:

If employee has MOSERS: $1.00 + .062 + .0145 + .1697 = 1.2462$

Step 2: Calculate Gross amount to be entered in Rate/Amount field on AP form

$\$1,000 / 1.2462 = \802.44

Step 3: Enter \$802.44 in the Rate/Amount field on the AP form. The amount of the necessary budget transfer will be \$1,000.

If employee has CURP the rate is: $1.00 + .062 + .0145 + .0616 = 1.1381$

Budget charges for a Rate/Amount of \$1,000 (gross pay)

FICA Rate: .062 Medicare Rate .0145

MOSERS Rate (FY 2015): .1697 CURP Rate (FY 2015): .0616

Step 1: Calculate rate to be used: $1.00 + .062 + .0145 + .1697 = 1.2462$

Step 2: Calculate total budget charges for a \$1,000 gross payment

$\$1,000 \times 1.2462 = \$1,246.20$

Step 3: The amount of the necessary budget transfer will be \$1,246.20.

If employee has CURP the rate is: $1.00 + .062 + .0145 + .0616 = 1.1381$

If the Net pay before taxes (employee pays federal and state taxes) of \$1,000

FICA Rate: .062 Medicare Rate .0145

MOSERS Rate (FY 2015): .1697 CURP Rate (FY 2015): .0616

Step 1: Calculate gross up rate: $1.00 - (.062 + .0145) = .9235$

Step 2: Calculate gross wages for a net (before tax) payment of \$1,000

$\$1,000 / .9235 = \$1,082.84$

Step 3: Calculate total budget charges on \$1,082.84

$\$1,082.84 \times 1.2462 = \$1,349.44$

Step 4: Enter \$1,082.84 in Rate/Amount field on AP form. The amount of the necessary budget transfer will be \$1,349.44

CALCULATING PAYMENT Continued

If employee has CURP the rate is: $1.00+.062+.0145+.0616= 1.1381$

If the net pay after taxes (Employer pays federal and state tax) is \$1,000

FICA Rate: .062 Medicare Rate .0145

MOSERS Rate (FY 2015): .1697 CURP Rate (FY 2015): .0616

Federal Tax Rate .25 State Tax Rate .06

Step 1: Calculate gross up rate: $1.00 - (.062+.0145+.25+.06) = .6135$

Step 2: Calculate gross wages for a net (after tax) payment of \$1,000

$\$1,000 / .6135 = \$1,629.99$

Step 3: Calculate total budget charges on \$1,629.99

$\$1,629.99 \times 1.2462 = \$2,031.29$

Step 4: Enter \$1,629.99 in Rate/Amount field on AP form. The amount of the necessary budget transfer will be \$2,031.29.

If employee has CURP the rate is: $1.00+.062+.0145+.0616= 1.1381$

BUDGET TRANSFERS

If you need to transfer funds to cover an Additional Payment (AP), complete a budget transfer and list your budget transfer number and amount on the bottom of the AP form in the spaces provided.

EACH INDIVIDUAL PAYS FICA, which is deducted from the GROSS PAY AMOUNT through the payroll process. In addition, the UNIVERSITY PAYS MATCHING FICA, which MUST be included in the amount of your transfer.

It is optional to include the individual's portion of FICA in your transfer if you want the individual to net an approximate dollar amount.

Taxes are the responsibility of the individual and will be withheld according to the recipient's unique tax situation.