

Calculating Workers' Compensation

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1. For all pay frequencies, pay type 1 or 2 job:

Note: Examples below are for regular payroll calculations only. If the check originated from the Payroll Adjustments, Check Issue tab, the WC Gross is equal to the amount paid for each distribution gross pay amount.

Example 1 - If the **# of Workers' Comp Annual Pymnts** field equals the **# of Annual Pymts** field, the Pay Rate - Absence Deduction + Absence Refund = WC Gross.

# of Workers' Comp Annual Pymnts = 10

# of Annual Pymts = 10

Contract Amount = $37,900.00

Pay Rate = $3,790.00 ($37,900.00/10)

Absence Deduction = $51.00

Absence Refund = $0.00

WC Gross = $3,790.00 - $51.00 + $0.00 = $3,739.00

WC Rate = .5829%

Master Distribution 1 = 99.733%

Master Distribution 2 = .267%

WC Gross x employee’s master distribution account percentage x WC Rate = WC Insurance Amount

$3,739.00 x .99733 x .5829% = $21.74

$3,739.00 x .00267 x .5829% = $.06

Total WC Insurance Amount = $21.80

Example 2

If the **# of Workers' Comp Annual Pymts** field does not equal the **# of Annual Pymts** field, the Total Contract/# of Workers' Comp Annual Pymts - Absence Deduction + Absence Refund = WC Gross.

# of Workers' Comp Annual Pymts = 10

# of Annual Pymts = 12

Contract Amount = $37,900.00

Pay Rate = $3,158.33 ($37,900.00/12)

Absence Deduction = $101.00

Absence Refund = $25.00

WC Gross = ($37,900.00/10) - $101.00 + $25.00 = $3,714.00

WC Rate = .5829%

Master Distribution 1 = 99.733%

Master Distribution 2 = .267%

WC Gross x employee’s master distribution account percentage x WC Rate = WC Insurance Amount

$3,714.00 x .99733 x .5829% = $21.59

$3,714.00 x .00267 x .5829% = $.06

Total WC Insurance Amount = $21.65

Pay Type 3 Job Workers’ Comp Insurance Amount is calculated based on the Account Amount x WC Rate.

Workers’ Comp Insurance Amount for Supplemental Pay is calculated based on the Account Amount x WC Rate.

When the **WC Remain** field on the Job Info tab is zero, no workers’ compensation calculations will be performed for pay type 1 or 2 unless the payments are through supplemental transactions.

If a Workers' Comp code is included on a non-TRS transmittal, it is applied to both taxable and nontaxable amounts.

Calculating Workers' Compensation for Overtime Payments: The extra pay for overtime is excluded from the workers' compensation calculation when employers use overtime codes 1, 2, 3, 4, and sometimes 5. If an employee worked overtime and was paid time and one-half (code 1), the half-time paid would be the extra portion and is not included in the workers' compensation calculations.

Example: An employee gets an hourly rate of $10.00. The overtime rate is $15.00 ($10.00 x 1.5). On the Hours/Pay Transmittals page, the employee works a total of 20.0 Ovtm Hrs x $15.00 (Ovtm Rate) = $300.00 (Ovtm Pay).

● If the Ovtm Code for WC is set to 0, use the staff overtime rate times the overtime hours to calculate the workers' comp gross used for the workers' compensation calculations.

$15.00 (Ovtm Rate) x .20 (Ovtm Hrs) = $300.00 (WC Gross)

$300.00 (WC Gross) x .8216% (WC Rate) = $2.46 (WC Amt)

● If the Ovtm Code for WC is set to 1, divide 1.5 into the overtime pay to calculate the workers' comp gross used for the workers' compensation calculations.

$300.00/1.5 = $200.00 (WC Gross)

$200.00 (WC Gross) x .8216% (WC Rate) = $1.64 (WC Amt)

● If the Ovtm Code for WC is set to 2, divide 2 into the overtime pay to calculate the workers' comp gross used for the workers' compensation calculations.

$300.00/2 = $150.00 (WC Gross)

$150.00 (WC Gross) x .8216% (WC Rate) = $1.23 (WC Amt)

● If the Ovtm Code for WC is set to 3, divide 2.5 into the overtime pay to calculate the workers' comp gross used for the workers' compensation calculations.

$300.00/2.5 = $120.00 (WC Gross)

$120.00 (WC Gross) x .8216% (WC Rate) = $.99 (WC Amt)

● If the Ovtm Code for WC is set to 4, divide 3 into the overtime pay to calculate the workers' comp gross used for the workers' compensation calculations.

$300.00/3 = $100.00 (WC Gross)

$100.00 (WC Gross) x .8216% (WC Rate) = $.82 (WC Amt)

● If the Ovtm Code for WC is set to 5 (straight time) for a pay type 1 or 2 employee, the overtime pay is used as the workers' comp gross to calculate the workers' compensation.

$300.00 ($15.00 Ovtm Rate x 20 Ovtm Hours) x .8216% (WC Rate) = $2.46 (WC Amt)

● If the Ovtm Code for WC is set to 5 (straight time) for a pay type 3 employee, the straight pay is used as the workers' comp gross to calculate the workers' compensation.

$200.00 ($10.00 Job Pay Rate x 20 Ovtm Hours) x .8216% (WC Rate) = $1.64 (WC Amt)