



# Imputed Income Extract - HRS6310



# Table of Contents

|   |          |
|---|----------|
| <b>Imputed Income Extract - HRS6310</b> ..... | <b>i</b> |
| <b>Imputed Income Extract - HRS6310</b> ..... | <b>1</b> |



# Imputed Income Extract - HRS6310

## ***Payroll > Utilities > Imputed Income Extract***

This page is used to calculate the employer contribution amount for the TI deduction code. Only active employees with pay type 1, 2, or 3 jobs with at least one of the selected LI deduction codes are included in the process.

It is highly recommended that you perform a Human Resources export by pay frequency prior to running this utility. Additionally, it is recommended for comparison purposes that you generate a user-created report for employees who have current TI deduction codes.

### [Additional notes](#)

If an active employee has a TI deduction code but no LI deduction code, and the TI deduction code has remaining payments, the employee is not extracted. However, the TI is processed through payroll using the existing current amounts in the TI deduction code.

If an active employee has a LI deduction code with remaining payments that are greater than zero but the employee amount is zero, the employee is included in the extract and imputed income is calculated. If an active employee has a LI deduction code with zero remaining payments, the employee is not included in the extract.

If an active employee has an LI deduction code(s), all occurrences of the TI deduction code are deleted for the employee and a new TI record is inserted for each associated LI deduction code. If an employee has an LI deduction code 301, and a TI deduction code 312 on the associated grid, a new record is inserted for the 301/312 deduction code association. If the employee has an LI deduction code 302 and the associated TI deduction is also 312, then a separate TI deduction is inserted on the employee's master distribution record with the associated imputed income amount. If the employee has more than ten LI deduction codes associated to any one TI deduction code, the employee is not processed.

The total gross salary is accumulated from the contract amount for pay type 1, 2 and 3 jobs for employees who have been paid in the fiscal year. If the employee has yet to be paid, the contract amounts are accumulated from the job master.

If the total gross salary is still zero after attempting to accumulate the amount from the job history, then the total gross salary is accumulated from the contract amount for pay type 1, 2 and 3 jobs that are assigned to the employee. For a pay type 1 or 2 job, the contract amount is included in the total gross salary if the contract balance is greater than zero. The contract amount is always included for pay type 3 jobs.



For additional information, reference IRS Publications 15-B and 525.

**Calculate data:**

Select a pay **Frequency**. Only one pay frequency can be processed at a time. By default, the logged-on pay frequency is selected; however, all pay frequency(ies) that are selected on the District Administration > Tables > District Information > Payroll Frequencies tab are enabled.

| <b>Field</b>                                 | <b>Description</b>  |
|--|---|
| <b>Calendar Year (YYYY)</b>                  | Type the calendar year for which you want to calculate imputed income. This field determines an employee's age as of 12-31 of the entered tax year.   |
| <b>Excess Income Amount</b>                  | Type the amount stipulated by the IRS for imputed income consideration.   |
| <b>Key Employee Annual Salary</b>            | Type the salary amount (prior to applying the multiplier) at which the full amount of the benefit is subject to the imputed income calculation. The total is not reduced by the Excess Income Amount. If zero entered, the Excess Income Amount is subtracted from all employees. |
| <b>From Contract Begin Date (MM-DD-YYYY)</b> | Type the beginning contract month, day, and year from which you want to extract data. This date is compared to the employee's primary job contract date.  |
| <b>To Contract Begin Date (MM-DD-YYYY)</b>   | Type the ending contract month to which you want to extract data. This date is compared to the employee's primary job contract date.  |

Under **Deduction Codes**:

|                           |  |
|---------------------------|--|
| <b>LI Ded Code</b>        | Click  to select the LI deduction code from which imputed income should be calculated. The LI deduction code description is displayed in the <b>LI Ded Description</b> field. Employees must have one or more of the selected from deduction codes (LI type) in the deduction master to be included in the process, and the remaining payments for the deduction record must be greater than zero.  |
| <b>TI Ded Code</b>        | Click  to select the TI deduction code to be used for the employees' deduction code master record. The TI deduction code description is displayed in the <b>TI Ded Description</b> field. The deduction code is inserted for the employee if it does not exist. If the deduction code does exist, it will be updated. If the same to deduction code (TI) is applied to multiple from deduction codes (LI), and an employee has multiple from deductions (LI), then the calculated employer contribution is accumulated and recorded in the single to deduction code (TI). |
| <b>Basic Coverage Amt</b> | Type the basic amount of coverage for the selected deduction code.   |

|                                 |   |
|---------------------------------|---|
| <b>Salary Multiplier</b>        | <p>Type the multiplier to be used for the employee's salary amount when calculating the imputed income amount.</p> <p>If the multiplier is zero, the salary is not included and the imputed income is based on the Basic Coverage Amount - Excess Income Amount.</p> <p>If the multiplier is greater than zero, the imputed income is based on the following calculation: (Basic Coverage Amount + (Salary * Multiplier)) - Excess Income Amount.</p> <p>If an employee is hourly, the employee's contract amount on the Maintenance &gt; Staff Job/Pay Data &gt; Job Info tab should be populated with an estimated annual salary if a multiplier is used.</p> <p>Salary amounts are accumulated from the contract amount for all jobs that may be assigned to any employee. If the employee has G-type extra duty pay on the Maintenance &gt; Staff Job/Pay Data &gt; Pay Info tab that is included in the contract amount, it is considered part of the total salary.</p> <p>If the multiplier is used, extra duties from the Maintenance &gt; Staff Job/Pay Data &gt; Pay Info tab that are B, T, or S type are not included in the salary calculation.</p> |
| <b>Total Annual Payments</b>    | Type the total number of payments to be used when calculating the employer contribution amount to be used per payroll.  |
| <b>Total Remaining Payments</b> | Type number of remaining payments to update the <b>Remaining Payments</b> column in the employees' deduction master records for the To Deduction Code (TI).   |
| <b>Emplr Contrib Factor</b>     | Type the one-digit value to update the employer contribution factor column in the employees' deduction master records for the To Deduction Code (TI).   |

Click **+Add** to add a row.

Click **Execute**. After the process is completed, all of the database updates are performed and the reports menu is displayed.

A message is displayed indicating that the process was successful.

### Calculation notes

#### Formula values

A = (Ceiling (Total Gross Salary /1000 )) \* salary multiplier) + (Basic Coverage Amt / 1000) (entered on page)

B = Excess Income Amount / 1000

C = Imputed Income Cost (rate based on employee age at 12-31 of the selected calendar year)

D = monthly employee after tax contributions = ((LI deduction code employee amount \* total annual payments) / 12) (Only if cafe plan is not selected on the deduction master)

E = Total Annual Payments

Formula: Calculated imputed income per payroll = (((((A - B) \* C) - D) \* 12) / E)

Employee total gross = 56,190.87

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Salary Multiplier = 2

$$A = (\text{Ceiling } (56190.87 / 1000) * 2) = 114$$

**Example 1** - Employee with 12 annual payments

$$A = 114$$

$$B = 50$$

$$C = .10$$

$$D = 2.50 = ((2.50 * 12) / 12)$$

$$E = 12$$

$$3.90 = (((((114 - 50) * .10) - 2.50) * 12) / 12)$$

**Example 2** - Employee with 24 annual payments

$$A = 114$$

$$B = 50$$

$$C = .10$$

$$D = 2.50 = ((1.25 * 24) / 12)$$

$$E = 24$$

$$1.95 = (((((114 - 50) * .10) - 2.50) * 12) / 24)$$

**Example 3** - Employee with 26 annual payments

$$A = 114$$

$$B = 50$$

$$C = .10$$

$$D = 2.49 = ((1.15 * 26) / 12)$$

$$E = 26$$

$$1.80 = (((((114 - 50) * .10) - 2.49) * 12) / 26)$$

If any errors are encountered during the export process, the Imputed Income Extract Errors report is displayed. A preview report of the calculations and TI deductions is available. [Review the report.](#)

Click **Continue** to continue the process.