

## Salary Withholding Program

### Sample Calculations

1. An employee was hired to work full-time, effective April 3, 1997 (Payroll Period 1) at an annual salary rate of \$23016 and received \$400 annual inconvenience pay. The total amount to be withheld is the total amount the employee earned on the last day of each of the first 5 payroll periods (1-5). Since the employee's daily rate on the last day of each of the first 5 payroll periods was \$ 89.81 (based on salary plus inconvenience pay), the total amount to be withheld is \$ 449.05 ( $\$ 89.81 \times 5$ ). Therefore, the employee must be placed on the Salary Withholding Program for 5 payroll periods at a rate of \$89.81 a payroll period until a total of \$449.05 is withheld.
2. An employee was hired to work part-time 50%, effective April 3, 1997 (Payroll Period 1) at an annual salary rate of \$23,016. In payroll period 4, the employee was placed on leave without pay and didn't return to work until payroll period 7. Under the Salary Withholding Program, the amount to be withheld is the total the employee earned on the last day of each of the first 5 payroll periods (1-5). Since the employee was on leave without pay for payroll periods 4 and 5, the amount of the withholding is calculated using the daily rate in effect on the last day of payroll periods 1, 2, and 3 only. Therefore, the employee must be placed on the Salary Withholding Program for 3 payroll periods at a rate of \$44.13 a payroll period until a total of \$132.42 is withheld.