



Fringe Expenditure Allocation

Example Scenario

In this example, the employee receives gross pay of \$3,000.00. Employer fringe expenditures total \$909.50.

Employee Paycheck Details and Breakdown of Gross Pay

Employee Paycheck Details	Category	Amount
Total Gross Pay		3,000.00
Employer Fringe Expenditures:		
ER OASDI	Tax	186.00
ER MED	Tax	43.50
COVA Health Aware	Deduction	660.00
457 Deferred Compensation	Deduction	20.00
Total Employer Fringe Expenditures		909.50

Breakdown of Employee Gross Pay			
Earnings Code	Category	Amount	ChartField Combination
RGS	Taxable (Creditable Compensation)	1,000.00	ChartField A
VAC	Taxable	300.00	ChartField B
OTS	Taxable	683.00	ChartField B
PRW	Taxable	17.00	ChartField B
MNT - Non-Taxable	Non-Taxable	1,000.00	ChartField C
		<u>3,000.00</u>	



Current Allocation Method

Using the current allocation method, all employer fringe expenditures are allocated based on the percentage distribution of the earnings.

Current Allocation Method (all earnings included)			
Earnings Percentage Calculation	Amount	ChartField Combination	ChartField %
	1,000.00	ChartField A	33.33%
	1,000.00	ChartField B	33.33%
	1,000.00	ChartField C	33.33%
Fringe Expenditure Calculation	Amount	ChartField Combination	
ER OASDI	62.00	ChartField A	
ER OASDI	62.00	ChartField B	
ER OASDI	62.00	ChartField C	
ER MED	14.50	ChartField A	
ER MED	14.50	ChartField B	
ER MED	14.50	ChartField C	
COVA Health Aware	220.00	ChartField A	
COVA Health Aware	220.00	ChartField B	
COVA Health Aware	220.00	ChartField C	
457 Deferred Compensation	6.67	ChartField A	
457 Deferred Compensation	6.67	ChartField B	
457 Deferred Compensation	<u>6.67</u>	ChartField C	
Total Employer Fringe Expenditures	909.50		



Future Allocation Method

Under the future allocation method, fringe expenditures for employer deductions and employer taxes are allocated differently.

Employer Taxes (allocated to taxable earnings codes only)			
Earnings Percentage Calculation	Amount	ChartField Combination	ChartField %
	1,000.00	ChartField A	50.00%
	1,000.00	ChartField B	50.00%
Fringe Expenditure Calculation	Amount	ChartField Combination	
ER OASDI	93.00	ChartField A	
ER OASDI	93.00	ChartField B	
ER MED	21.75	ChartField A	
ER MED	21.75	ChartField B	

Employer Deductions (allocated to creditable compensation and non-productive time only)			
Earnings Percentage Calculation	Amount	ChartField Combination	ChartField %
	1,000.00	ChartField A	76.92%
	300.00	ChartField B	23.08%
Fringe Expenditure Calculation	Amount	ChartField Combination	
COVA Health Aware	507.69	ChartField A	
COVA Health Aware	152.31	ChartField B	
457 Deferred Compensation	15.38	ChartField A	
457 Deferred Compensation	4.62	ChartField B	