

**EXPLANATION OF PAYROLL VOUCHER PAYMENTS**  
**("Including" Benefits / "Excluding" Benefits)**

**Any payroll job is paid as follows:**

**LABOR** = Gross payment of funds to the Employee (Payee).

	Out of the gross labor, the employee pays: (If applicable)  Note that Insurance is usually paid from regular salary only.	Federal and LA State Taxes
		Employee's portion (Deduction) of Retirement
		Employee's portion (Tax) of Medicare
		Employee's portion (Deduction) of Insurances
		Other Optional Deductions

**BENEFITS** = Employer's portion of certain items. Benefits are paid by the Employer to the service providing agency.

	(If applicable)	Employer's portion (Benefit) of Retirement
		Employer's portion of Medicare
		Employee's portion of some Insurances

**DEDUCTION & BENEFIT PERCENTAGES FOR FISCAL YEAR 2013**  
**(Retirement and Medicare Only)**

Retirement		
TYPE	EMPLOYEE DEDUCTION	EMPLOYER BENEFIT
FICA	4.2%	6.2%
LASERS (PLAN 1)	7.5%	29.1%
LASERS (PLAN 2)	8.0%	29.1%
LASERS (PLAN 3)	9.5%	28.0%
TEACHERS	8.0%	24.4%
OPTIONAL	8.0%	24.4%
MEDICARE	1.45%	1.45%

**GROSS LABOR AMOUNT**

**1. If the "Amount to be Paid" is EXCLUDING BENEFITS, the amount listed is the gross labor amount to be paid to the Payee.**

**EXAMPLE: Payroll Voucher Amount to be Paid , EXCLUDING BENEFITS is \$3,000 and Payee/Employee pays TEACHERS RETIREMENT AND MEDICARE:**

<b>GROSS LABOR</b>	<b>3,000.00</b>	<i>Payee's Gross Amount</i>
<b>BENEFITS</b>		
+ Retirement (24.4% X \$3,000.00)	732.00	<i>Employer's Portion of Retirement</i>
+ Medicare (1.45% X \$3,000.00)	43.50	<i>Employer's Portion of Medicare</i>
Total Amount... Exclusive of Benefits =	3, 775.50	Total Employer's Cost.

**2. If the "Amount to be Paid" is INCLUDING BENEFITS, a calculation must be made to see how much gross labor the Payee is actually to be paid. The "Amount..." is divided by one of the following.**

<b>BASED ON FY 2013 RATES</b>  (Vary by Fiscal Year)	1.2585 (If Payee has Teachers or Optional Retirement and pays Medicare)
	1.0765 (If Payee pays FICA [Social Security] and Medicare)
	1.244 (If Payee pays Teachers, or Optional Retirement but no Medicare)
	1.0145 if Payee pays Medicare Only (These are usually people on DROP, ALSO, retirement benefit is not included for LASERS because no retirement is paid for overload or overtime for employees who pay LASERS retirement.)

**EXAMPLE: Same situation as listed above, except the Payroll Voucher Amount to be Paid, INCLUDING BENEFITS is \$3,000.**

<b>GROSS LABOR</b>	3,000/1.2585)	<b>2,383.80</b>	<i>Payee's Gross Amount</i>
<b>BENEFITS</b>			
+ Retirement (24.4% X \$2,383.80)		581.64	<i>Employer's Portion of Retirement</i>
+ Medicare (1.45% X \$2,383.80)		34.56	<i>Employer's Portion of Medicare</i>
Total Amount... Inclusive of Benefits =		3, 000.00	Total Employer's Cost.

**IN SUMMARY:** Benefits are usually paid in addition to the labor amount and are listed separately on the payroll stub. If the Amount to be Paid is listed under Including Benefits on the voucher (or Payroll Action Form), it is **NOT** the labor amount to be paid to the Employee, it is the maximum total amount that can be paid for the job performed including the employers benefit contributions. For further explanation, please refer to your requesting or approving agent or to Grants & Contracts (if item is paid by a Grant).

PLEASE SIGN BELOW

Requesting Agent's Signature

Employee's Signature