

Example of Noncompensatory Gross Up (Federal withholding rate = 22% NC withholding rate = 5.35%)

$$1.0 - 0.22 - 0.0535 = 0.7265$$

Desired Net / 0.7265 = Gross Pay Amount

For Example:

Payee is expecting a payment in the amount of \$1,000.00. You must calculate the Gross Pay Amount.

$$\$1,000.00 / 0.7265 = \$1,376.92^*$$

Gross Pay Amount				\$1,376.92
Federal Taxes Taken	\$1,376.92	X	22.00%	= (\$302.92)
State Taxes Taken	\$1,376.92	X	5.35%	= (\$74.00)
Net Amount				<u>\$1,000.00</u>

* NOTE THAT THE RESULTING GROSS PAY AMOUNT IS AN ESTIMATE. THE EXACT AMOUNT MAY BE SLIGHTLY DIFFERENT DUE TO ROUNDING.

Please note that departments who are using this calculation for additional support related to Post Doc Insurance Stipends, the net amount would be the insurance stipend amount.