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

\[
1.0 - 0.22 - 0.0460 = 0.734 \\
\text{Desired Net} / 0.734 = \text{Gross Pay Amount}
\]

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

\[
\frac{\$1,000.00}{0.734} = \$1,362.40^*
\]

<table>
<thead>
<tr>
<th>Gross Pay Amount</th>
<th>$1,362.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Taxes Taken</td>
<td>$1,362.40</td>
</tr>
<tr>
<td>( \times 22.00% ) ( = )  ( $299.73 )</td>
<td></td>
</tr>
<tr>
<td>State Taxes Taken</td>
<td>$1,362.40</td>
</tr>
<tr>
<td>( \times 4.60% ) ( = )  ( $62.67 )</td>
<td></td>
</tr>
<tr>
<td><strong>Net Amount</strong></td>
<td><strong>$1,000.00</strong></td>
</tr>
</tbody>
</table>

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

Please note that departments who are using this calculation for additional support related to Post Doc Insurance Stipend amount.


\[ \text{IC withholding rate} = 4.60\% \]

\[ \text{Net Pay Amount.} \]

\[ \text{End of document.} \]

\[ \text{Likely different due to rounding.} \]

\[ \text{Teds, the net amount would be the insurance} \]