Instructions for Calculating Supplemental Compensation
For an Employee with a Single Employer With Tips

If you are a Covered Employer, you must pay supplemental compensation to your covered employees receiving benefits for child bonding under California Paid Family Leave. Your employee is required by law to notify you if s/he has more than one employer in order to receive supplemental compensation.

These instructions will help you calculate the Supplemental Compensation amount owed to the employee if you are the only employer and the employee receives tips (gratuities).

Terms:

A = EDD Weekly Benefit Amount

B = Normal gross weekly earnings including reported tips

C = Remainder after EDD Weekly Benefit Amount

D = Weekly wages without tips

E = Preliminary weekly Supplemental Compensation amount (subject to the cap)

F = Total employee benefits (A+E)

Preliminary Calculation: (D/B) X C = E (subject to the cap – see step 6)

Documents Needed:

The EDD Notice of Computation Form (DE 429D) or the employee's weekly benefit amount provided by EDD; and employer payroll records.

Step One: Find the employee's California Employment Development Department (EDD) weekly benefit amount on the EDD Notice of Computation or Electronic Benefit Payment Notification provided by the employee, or use the weekly benefit amount provided to you by EDD.

EDD Weekly Benefit (A) = ___________

Step Two: Determine the employee's current normal gross weekly earnings including reported tips based on payroll records.

Since earnings with tips fluctuate, the earnings must be calculated based on the Paid Parental Leave Lookback Period. The Lookback Period is six bi-weekly or semi-monthly, or 12 weekly pay periods preceding the start of the employee's California Paid Family Leave Period" (or, for birth mothers, the period immediately preceding pregnancy disability leave).

The grids following page will help you calculate the employee normal gross weekly earnings including tips from this period. If your employee was on unpaid or partially paid leave for any of these pay periods do not include those pay periods in calculating the average gross weekly wage. Rather, add in earlier pay periods up to 26 weeks prior to the start date of your employee's California Paid Family Leave for child bonding.

Fill in your employee's pre-tax **wages** in the first grid row and **reported tips** in the second based on how the employee is paid: bi-weekly or semi-monthly, or weekly.

Sum each row in the final column and add the two amounts together for the total. For weekly and bi-weekly payroll, divide by 12 and for semi-monthly divide by 13. The sum of the average wages and average tips is the employee's average normal gross weekly earning or (B) above.

Weekly pay:

	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	Sum
Wages													
Tips													
												Total	

Add the sum of wages and tips and by divide 12 _____________ = (B) normal gross weekly earnings with tips

Bi-weekly pay:

	BiWeek1	BiWeek2	BiWeek3	BiWeek4	BiWeek5	BiWeek6	Sum
Wages							
Tips							
						Total	

Add the sum of wages and tips and divide by 12 __________ = (B) normal gross weekly earnings with tips

Semi-Monthly pay:

	SMonth1	SMonth2	SMonth3	SMonth4	SMonth5	SMonth6	Sum
Wages							
Tips							
						Total	

Add the sum of wages and tips and divide by 13 __________ = (B) normal gross weekly earnings with tips

Step Three: determine the amount remaining after EDD benefit by subtracting A from B

B _________– A __________ = C __________

Step Four: Calculate the average weekly wages without tips by dividing the sum of wages from the grid above by the appropriate factor to determine the weekly wages without tips or (D).

Total weekly wages __________÷_(factor) _______ D = _______

Step Five: Divide the weekly wages without tips (D) by the normal weekly wages (B) and multiply by the supplemental compensation to get the preliminary employer weekly supplemental compensation amount.

(D/B) X C = E __________ Preliminary Weekly Supplemental Compensation amount (subject to the cap in step six)

Step Six: Ensure that the employee's total weekly benefits do not exceed the maximum benefit cap of $2,133. Sum the EDD Weekly Benefit Amount (E) and the preliminary Supplemental Compensation amount (E)

A ________ + E _____ = ________

If the total is less than $2,133, then the weekly Supplemental Compensation amount you owe the Covered Employee is E, calculated in Step 5.

If the total is greater than $2,133, the weekly Supplemental Compensation amount is subject to the Maximum Weekly Benefit Amount. Subtract the EDD Weekly Benefit (A) from $2,133.

$2,133 – A _________= __________ final adjusted weekly Supplemental Compensation