

Instructions for Calculating Supplemental Compensation
For an employee with Multiple Employers with Tips

As a Covered Employer with a Covered Employee that has more than one employer, you are required to pay Supplemental Compensation corresponding to your portion of the Covered Employee's Normal Gross Weekly Wages. Your employee is required to notify you if he or she has more than one employer and provide information about wages and reported tips from other employer(s).

These instructions will help you calculate the Supplemental Compensation amount owed to the employee if there is more than one employer and the employee receives tips (gratuities).

Terms:

A = EDD Weekly Benefit Amount

B = Total Normal Weekly Wage including reported tips for all employers

C = Remainder after EDD Weekly Amount

D = Employer 1 Normal Weekly Wage without reported tips

E = Employer 1 percentage of Remainder after EDD Weekly Amount

F = Employer 1 amount of Weekly Supplemental Compensation to pay employee

Calculation: $E \times C = F$

Documents Needed: The EDD Notice of Computation Form (DE 429D) or the Electronic Benefit Payment Notification provided by EDD, Employer Payroll, and the San Francisco Paid Parental Leave Form will provide the information needed to complete the calculation.

Step One: Find the employee's California Employment Development Department (EDD) weekly benefit amount from the EDD Notice of Computation form or the 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 total normal gross weekly wages including reported tips for all employers from employer payroll records and the San Francisco Paid Parental Leave Employee Form.

Total Normal Weekly Wage (B) = _____

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 below will help you calculate the employee's average, Total Normal Weekly Wage including tips. If your employee was on unpaid or partially paid leave for any of these pay periods (such as pregnancy disability leave) do not include those pay periods in calculating the Normal 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 bonding.

Fill in your employee's pre-tax wages in the E1 Wages grid row and reported tips in E1 Tips based on how the employee is paid: bi-weekly, semi-monthly, or weekly and add the starting pay period date in

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the top of each column. For each additional employer reported on the San Francisco Paid Parental Leave Employee Form, enter the weekly wages and tips in E2 Wages and E2 Tips in the additional grids. If there are more than two, add additional rows as needed.

Sum each row in the final column and determine the average weekly wage and average weekly tip amounts. For weekly and bi-weekly sums, divide by 12 and for semi-monthly divide by 13.

The sum of the average wages and average tips is the employee's average, total normal weekly wage or (B).

Weekly pay:

Pay Period Start Date													Sum
E1 Wages													
E1 Tips													
E _{2,3} Wages													
E _{2,3} Tips													

Add the sum of wages divided by 12 _____ = Avg Wages and sum of tips divided by 12 _____ = Avg Tips

The sum of average wages and average tips will be the Total Normal Weekly Wage or (B)_____

Bi-weekly pay:

Pay Period Start Date							Sum
E1 Wages							
E1 Tips							
E _{2,3} Wages							
E _{2,3} Tips							

Add sum of wages divided by 12 _____ = Avg Wages and sum of tips divided by 12 _____ = Avg Tips

The sum of average wages and average tips will be the Total Normal Weekly Wage or (B)_____

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Semi-Monthly pay:

Pay Period Start Date							Sum
E ₁ Wages							
E ₁ Tips							
E _{2,3} Wages							
E _{2,3} Tips							

Add the sum of wages divided by 13 _____ = Avg Wages and sum of tips divided by 12 _____ = Avg Tips

The sum of average wages and average tips will be the Total Normal Weekly Wage or (B)_____

Step Three: determine the Remainder after EDD Weekly Benefit amount by subtracting A from B.

B _____ – A _____ = C _____ Remainder after EDD Weekly Benefit amount

Step Four: Calculate the Employer 1 (E1) average weekly wages paid to the employee without tips (D) by dividing the sum of E1 wages from the grid above by the appropriate factor.

Total weekly wages _____ ÷ (factor) _____ D = _____ Employer 1 Total Normal Weekly Wage without reported tips

Step Five: Divide the Employer 1 average weekly wage without reported tips (D) by the Total Normal Weekly Wages (B) to determine the Employer 1 percentage of the Remainder after EDD Benefit Amount.

D/B= _____ (E) or Employer 1 Percentage of the Remainder after EDD Benefit Amount

D _____ ÷ B _____ = E

Step Six: Multiply the Employer 1 percentage E by the Remainder after EDD Weekly Benefit Amount (C) to get the employer weekly Supplemental Compensation amount. This is the amount the employer will pay weekly to a covered employee.

E _____ × C _____ = F _____ Employer 1 Weekly Supplemental Compensation amount

Step Seven: Ensure that the employee’s total weekly benefits do not exceed the maximum benefit cap of \$2,133. Sum the EDD Weekly Benefit Amount (A) and the Supplemental Compensation amount (F)

A _____ + F _____ = _____

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

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