Quick Reference Guide for Business Rules

- **Payment Initiation: Home Department Only**
  Payments can only be initiated by the Home Department of the individual receiving payment.

- **Gross Up Calculation**
  A gross up is used to reach a specified net payment amount and takes into consideration deductions, such as taxes, that would be incurred by the receiver. If the gross up option is selected for a payment, the following formula is used to calculate the total amount of the grossed up payment:

\[
\text{Grossed Up Payment Amount} = \frac{\text{Check Amount}}{1 - \text{Total Tax Rate}}
\]

<table>
<thead>
<tr>
<th>TAX TYPE</th>
<th>TAX RATE (as of 1/1/2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Tax</td>
<td>25.0%</td>
</tr>
<tr>
<td>Social Security (OASDI)</td>
<td>6.2% on wages up to designated threshold; currently $113,700.</td>
</tr>
<tr>
<td>Medicare</td>
<td>1.45%</td>
</tr>
<tr>
<td>Medicare Employee Tax</td>
<td>0.9% on wages in excess of threshold, currently $200,000.</td>
</tr>
<tr>
<td>State Tax</td>
<td>Varies by employee’s state of residence; currently this is 0% for Tennessee</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>32.65%, depending on variables listed above</strong></td>
</tr>
</tbody>
</table>

- **Missed Payment Deadlines / Auto-Rejected Payments**
  First available paycheck date will populate the drop down box based on HR/Payroll deadline. Payments not approved by payroll cutoff date/Missed Payment Deadline are auto-rejected back to Initiator.

- **Payroll Calendar and Deadlines**
  The payroll calendar and associated deadlines are used to determine when payments must be processed in order to meet the requested payment date (paycheck date). See the Payroll Calendar website for current schedules and deadlines.

- **Multiple Payment Requests**
  You cannot request multiple payments of the same payment type (i.e., can’t have two Bonuses) for same payment date. You must combine the payments into one Additional Pay payment request.

- **Changing a Payment Request**
  Initiator is only role that can make edit or cancel the payment request (change center numbers, amount, etc.). Reviewers and Approvers must reject a payment back to the Initiator to change/edit payment.

- **Penny Rounding and Federal Centers**
  Penny rounding occurs when the override distribution option is selected. It is the same logic used in the rest of ePAC — that is, the extra penny should skip any restricted centers and should be distributed to the unrestricted centers.

- **Maximum of 12 months of payments**
  A payment request can be set up for a maximum of 12 months or to the end of the current Payroll Calendar, whichever is shorter.
• **Business Justification is Required / Comments are Optional**
  Every payment request is required to have a valid business justification. Comments are optional and can be entered when the payment request is within an individual’s ePAC purview.

• **Attachments to Payment Requests**
  The ePAC system allows for digital documents to be attached. The attachment feature is available for use when the payment request is within an individual’s ePAC purview.

### Notes and Comments

- For a complete list of Business Rules see Appendix 7: Business Rules beginning on page 44 of the User Guide [link](#).

- Business Rules specific to Summer/Maymester can be found in Appendix 3: Summer and Maymester Payments beginning on page 36 of the User Guide [link](#).