

**TEXAS A&M UNIVERSITY**  
**EXTENDED PAY PLAN (EPP) EXAMPLE @ 12.5%**

**FACTS:**

Extended Pay Plan %	12.5%	Monthly Insurance Premium (employee out - of - pocket)	\$100
Salary / Monthly	\$4,000	Employment Period - Months	9

(a) Month	(b) Original Net Earnings	(c) (EPP) Amount (b x 12.5%)	(d) Out of Pocket Insurance	(e) EPP for Insurance (d x 25%)	(f) Total EPP Withheld ( c + e)	(g) EPP Paid	(h) Adj. Total Pay Check ( b-c-e+g)	(i) Cumulative EPP Balance
September	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$525.00
October	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$1,050.00
November	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$1,575.00
December	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$2,100.00
January	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$2,625.00
February	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$3,150.00
March	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$3,675.00
April	\$4,000	\$500.00	\$100	\$25	\$525.00		\$3,475.00	\$4,200.00
May	* \$3,700	\$462.50	\$400	\$100	\$562.50	\$300.00	\$3,437.50	\$4,462.50
June	\$0	\$0.00	\$0	\$0	\$0.00	\$1,487.50	\$1,487.50	\$2,975.00
July	\$0	\$0.00	\$0	\$0	\$0.00	\$1,487.50	\$1,487.50	\$1,487.50
August	\$0	\$0.00	\$0	\$0	\$0.00	\$1,487.50	\$1,487.50	\$0.00

* May (b)	
Salary	4000
Summer Out of Pocket Insurance Premium	-300
Column (b)	3700

May (g)  
Sum of Column (e) - For providing reimbursement to individuals for summer insurance premiums

Column (i) is the cumulative total of column (f) less EPP payments per column (g)

May (d)	
Monthly Insurance Preimum	100
Summer Insurance Premiums Insurance Premium	300
Column (d)	400

Note:  
This example shows net pay only; taxes have already been deducted. In addition, this example does not reflect the change in Social Security payments or any change in salary that might occur during the year. It does not show any summer appointment pay that an employee might receive.