

## Salary Calculation Examples

**In the examples below, the amounts and rates shown are for example purposes only. Actual rates, amounts, etc. for the University can be found at [http://osp.ua.edu/Proposal\\_administration.html](http://osp.ua.edu/Proposal_administration.html).**

**Example 1:** A faculty member wants a GRA for the summer who will not be taking summer classes

- Monthly salary is \$1,500 for 3 months = \$4,500
- GRA health insurance for 3 months = \$300
- 7.7% fringe for 3 months ( $\$4,500 \times .077$ ) = \$347
- Total requested for summer = \$5,147

**Example 2:** A faculty member wants a GRA for the summer who will be taking a summer class each term for 3 hours each

- Monthly salary is \$1,500 for 3 months = \$4,500
- GRA health insurance for 3 months = \$300
- Tuition for one 3 hour course is  $(\$1,260 \times 1.05) \times 2$  summer semesters - \$2,646
- Total requested for summer = \$7,446

**Example 3:** A faculty member wants to request \$5,000 in summer compensation

- Total Compensation Requested = \$5,000
- Fringe Rate = 32%
- $\$5,000 / 1.32 =$  Salary Requested
- Salary Requested = \$3,788
- $\$5,000 - \$3,894 =$  Benefits Requested
- Benefits Requested = \$1,212

**Example 4:** A faculty member has \$5,000 available for a GRA summer position

- Summer GRA Health Insurance = \$300
- Salary =  $(\$5,000 - \$300) / 1.077 =$  \$4,364
- Fringe expenses =  $\$4364 \times .077 =$  \$336
- Total requested = \$5,000

**Calculation of Fringe Benefits from total compensation requested:**

- Total Compensation Requested  $\div$  Fringe Rate = Salary Requested  
(GRAs must also factor in Health Insurance, see example 4)