

**COMPENSATION DEFINITIONS – Refer to paragraph 1 of the letter to determine which definition applies – you should confirm with your payroll provider and/or accounting advisor to determine how to obtain this amount.**

**POST-SEVERANCE PAY:** Compensation for ALL definitions must include compensation that was earned prior to their termination but paid after their termination date. This is referred to as “post-severance pay” but ONLY INCLUDES compensation that would have been payable had the employee remained in your employ. This would include any compensation paid for hours worked prior to termination, but also unused sick/vacation pay, commissions and bonuses. Compensation paid solely on account of severance (“severance pay”) is NOT included.

**W-2:** *Compensation is total wages paid during the period, which is reportable on Form W-2 (this includes amounts of salary deferred under a 401(k) or similar arrangement and/or cafeteria plan). The best place to get this information is from your payroll reports since certain deductions may not appear on your W-2 Forms.*

**Plan Document Definition:** Wages within the meaning of Code §3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d), 6051(a)(3), and 6052, determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

**WITHHOLD:** *Compensation is total wages paid during the period, which are subject to federal income tax withholding, plus salary deferred under a 401(k) or similar arrangement and/or cafeteria plan.*

**Plan Document Definition:** Wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

**415:** *Is total compensation that is includible in gross income, plus salary deferred under a 401(k) or similar arrangement and/or cafeteria plan.*

**Plan Document Definition:** A Participant's wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer (without regard to whether or not such amounts are paid in cash) to the extent that the amounts are includible in gross income. Such amounts include, but are not limited to, commissions, compensation for services on the basis of a percentage of profits, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c)), and excluding the following:

- (1) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions (other than Elective Deferrals) under a SEP (as described in Code §408(k)), or any distributions from a plan of deferred compensation. For this purpose, Employer contributions to a plan of deferred compensation do not include Elective Deferrals (as defined in Section 22.61), elective contributions to a cafeteria plan under Code §125 or a deferred compensation plan under Code §457 and, for years beginning on or after January 1, 2001, qualified transportation fringes under Code §132(f)(4). The Employer may elect an earlier effective date for qualified transportation fringes under Appendix B-3.c. of the Agreement.
- (2) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture.
- (3) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.
- (4) Other amounts which received special tax benefits, or contributions made by the Employer (other than Elective Deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

## **Hours and Status Codes**

### **Hours Codes**

0 = Less than 500 hours worked  
1 = 501 – 999 hours worked  
2 = 1,000 or more hours worked

### **Status Codes**

P = Disabled  
R = Normal Retirement  
T = Terminated  
L = Approved leave of absence  
D = Deceased  
H = Rehired (note if Military Rehire)