

Base Pay & Calculations

Documents you need for Base Pay include:

For Overtime, you will need two additional things:

Paystubs may include:

Income	How to Calculate	Example
Annual	Divide annual by 12 months	$60,000 / 12 = 5,000$
Monthly	Use monthly figure	
Week	Convert to yearly then monthly	$1150 \text{ per week} * 52 \text{ weeks per year} / 12 \text{ months}$
Hourly	Convert to weekly, then yearly, then monthly	$28.75 * 40 \text{ hours per week}$ $* 52 \text{ weeks per year} / 12 \text{ months}$
Bi Weekly	Convert to yearly (26 pays per year), then monthly	$*26 \text{ per year} / 12$
Bi Monthly	Convert to yearly (24 pays per year), then monthly	$*24 \text{ per year} / 12$
Teacher Pay	Convert to yearly then monthly	Are they paid 12 months or 9



Watch Me

Watch the Base Pay video & answer as you go.

Additional Information:

Look on the VOE in Box 12b Base pay area for rate.

NOTE: Unless the lender has knowledge to the contrary (ex: Notation on the VOE), if the income does not have a defined expiration date and the applicable history of receipt of the income is documented (per the selected income type), the lender may conclude that the income is stable, predictable, and likely to continue. Lender is not expected to request additional documentation from borrower.


Also, an alternate method of documenting the W-2 is to obtain an IRS Wage and Income (W-2) transcript.


Notes:


Base Pay Activity


Let's put what you learned into practice. Calculate the answers to the following scenarios and answer the base pay questions. Good luck!


Please Record your answers in the space provided.

-  May Johnson makes \$210,000 a year.
What is her base pay?

-  Jose Mendez makes \$850 weekly.
What is his base pay?

-  Ashley Summers makes \$1,300 bi-weekly.
What is her base pay?

-  Jamie Patel makes \$900 bi-monthly.
What is her base pay?

-  Sarah Kurtz is a teacher who is paid over 9 months. She is paid \$3,100 bi-monthly 2x per month.
What is her base pay?



**Do This Base
Pay Activity!**



Answer Me!