

Fresno Regional Workforce Development Board

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Blake Konczal, Executive Director

OPERATIONAL DIRECTIVE

FRWDB OD # 18-21

Date Released: July 18, 2021

To: All Fresno Regional Workforce Development Board Providers of Services

From: Blake Konczal, Executive Director

Effective Date: January 1, 2021

Subject: 2021 Salary and Bonus Limitations

Applicable Program: All

Revision History: Initial Release

This Operational Directive (OD) supersedes OD 02-21, 2020 Salary and Bonus Limitation.

Employment Development Department (EDD) Directive WSD 21-02 dated August 16, 2021, released the Salary and Bonus Limitations for 2021.

Effective January 1, 2020, the salary and bonus limit is set at **\$199,300**, until otherwise advised.

The limitations do not apply to benefits that are not salary and bonuses. For example, fringe benefits, insurance premiums, or pension plans paid by a subrecipient are not included in the calculation. Per the DOL's ETA Region 6 Office, the salary and bonus limit apply to both the gross amount of salary and bonus, and to the rate at which the salary is paid. As a result, for individuals who do not work full-time on DOL ETA funded projects or who are only employed part-time or part of the year, the salary and bonus limit will be prorated based on the amount of time the individual is dedicated to the DOL ETA funded grant. For example:

A person's W-2 for 2020 includes \$200,000 of gross compensation. The person worked full-time all year. Forty percent (40%) of the person's salary costs benefited WIOA and/or other Department of Labor, Employment and Training Administration-funded programs.

2021 Salary and Bonus Limit = \$199,300

Salary eligible for the salary and bonus limit = \$ 79,720
(calculation: \$199,300 x 40%)

Total gross compensation = \$200,000

Salary costs benefitting WIOA/ETA-funded programs = \$ 80,000
(calculation: \$200,000 x 40%)

Salary in excess of the salary and bonus limit = \$ 280
(calculation: \$ 80,000 – \$ 79,720)

In this scenario, the person's salary is eligible for 40 percent of the annual salary and bonus limit (40% of his salary benefited DOL ETA-funded programs). Therefore, \$79,720 ($\$199,300 \times 40\% = \$79,720$) of the salary may be paid using DOLE ETA appropriated funds or other federal funds. Since only 40 percent of the person's salary costs benefited DOL ETA-funding programs, the remaining amount of \$280 ($200,000 \times 40\% = \$80,000 - \$79,720 = \280), which is in excess of the allowable 2021 salary and bonus limit, must be paid using non-federal funds.

The allowable limits are subject to change.

Please notify all affected staff of the revised limits.