

1. Add base salary and actual overtime together for every year. If you have an annual leave payout in your final year, add that to the base salary and overtime for that year. The result of these calculations are reflected in the “total compensation step 1” line on the example charts. *Remember at this point, whether you worked overtime before or after January 1, 2012, you still use the actual overtime earned in the calculations.
2. The final average compensation (FAC) period will be determined by the highest three averaged years of compensation using the totals in the “total compensation step 1” line on the example charts. This is done by adding the total compensation for three years at a time and dividing by 3 to calculate the highest three average years.
3. Once you determine which FAC period that results in the highest FAC, you need to determine whether you have to average the overtime. If your highest FAC from step 2 comes from combined base salary and overtime earned prior to January 1, 2012, you do not need to do any additional calculations - the amounts you calculated for the “total compensation step 1” line will be the only numbers you use to calculate your FAC (see example 6). If your highest FAC from step 2 comes partially or wholly from time earned January 1, 2012 or after, you must average the overtime:
 - a. If your highest three FAC years occur between January 1, 2012 and January 1, 2015, you will average all the overtime from January 1, 2009 through the final year in your FAC period. Examples 1-3 show how this works. When you calculate the average overtime for those years, you will add the average overtime amount to the base salaries for the three years in your FAC period to come up with the “adjusted total compensation”.
 - b. If your highest three FAC years occur after January 1, 2015, you will average all the overtime from previous six years to the final year in your FAC period. Examples 4-5 show how this works. When you calculate the average overtime for those years, you will add the average overtime amount to the base salaries for the three years in your FAC period to come up with the “adjusted total compensation”.
4. When you have the adjusted total compensation calculated for the three years in your FAC period, you will add those three totals together and divide by 3. This will result in the FAC that will be used to calculate your monthly payment.

Remember, that if your FAC period consists wholly of years before January 1, 2012, the total on the “FAC period determination” line and the “FAC calculation” line in the examples will be the same, as no averaging of the overtime will take place.