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PAYROLL ADMINISTRATION MEMORANDUM NO. 15, 2010-2011

DATE: April 28, 2011

TO: CFN Executive Directors (via e-mail)
Principals (via "Principal's Weekly Newsletter")
School Secretaries/Timekeepers (via e-mail)

FROM: Francine Perkins-Colón *Francine Perkins-Colon*

SUBJECT: **FY 2011 End of the Year Procedures and Information for Q742 and Q744**

This memorandum will provide you with the important payroll information relevant to the ending of this school year for the following:

1. Summer Vacation Check Distribution
2. Electronic Fund Transfer (EFT) Accounts
3. Prep Period Payments
4. Summer Processing for Q744 Employees
5. Pro-Rata Vacation Entitlement
6. Vacation Pay for Per Diem Substitutes
7. Salary Adjustment for 12 Month CSA Employees
8. Sabbatical Vacation Deductions
9. CAR (Cumulative Absence Reserve)
10. Direct Deposit Enrollment Cancellation for Terminating or Retiring Employees
11. Guidelines for Cumulative Absence Reserve (CAR) Payments

If you have any questions regarding this memorandum, please call Pedagogic/School Based Payroll at (718) 935-2218 for the Q742 Payroll or the Hourly Support Payroll at (718) 935-3030 for the Q744 Payroll.

1. **Summer Vacation Check Distribution**

A maximum of five (5) paychecks will be distributed at the end of the school year to active pedagogic employees. Paychecks including final entitlements and vacation payments are subject to Federal, State, City and Social Security withholding tax deductions. The checks represent payment for the following four periods:

Check Date	Pay Period
June 30, 2011	June 16 - June 30
July 15, 2011	July 1 - July 15
July 29, 2011	July 16 - July 31
August 15, 2011	August 1 - August 15
August 31, 2011	August 16 - August 31

Employees are advised **not to cash these checks until the date of the check**. Banks have been instructed not to honor any check presented for cash or deposit before the date on the check. **Employees will be subject to an early encashment penalty of \$55 per check as well as any penalty imposed by the employee's bank. The early encashment penalty fee will be deducted from the employee's check in the fall of 2011 by the NYC Office of Payroll Administration (OPA).**

2. **Lost, Stolen or Mutilated Checks**

The replacement of these checks takes approximately six (6) weeks. Reissued checks will display the original check number and check date. Pedagogic employees requesting replacement checks should call (718) 935-2217. Educational Paraprofessionals should contact their Children First Network (CFN).

The following information must be provided:

- Name, EMPL ID number/social security number, home address;
- Date of check, school district, borough, **net** amount of the check; and
- Reason for the Stop Payment.

The City Paymaster will mail an affidavit to the employee for his/her completion. The affidavit must be returned to the City Paymaster before a replacement check is issued.

3. **Electronic Fund Transfer (EFT) Accounts**

Employees participating in the EFT or Direct Deposit Program **must not** close the checking or savings accounts scheduled to receive the Direct Deposit payments during July and August 2011. The EFT payment generated in June for July and August **cannot be re-routed** to a new account. Emergency checks will not be issued in these instances. The employee will receive replacement checks after the deposits have been returned from the original bank of deposit.

Check replacements for all EFT transactions that are returned due to closed accounts or incorrect account numbers will no longer be automatically issued. Please contact the Payroll Benefits Unit at (718) 935-3545, if a check is returned due to an EFT closed account or incorrect account number.

4. **Prep Period Payments**

On-line service entered by May 18, 2011 will be paid on June 30, 2011. Prep Periods entered on-line between June 1, 2011 and June 14, 2011 will be paid on the June 28, 2011 supplementary payroll. Prep Periods covering June 15, 2011 through June 30, 2011 will be paid in September 2011.

5. **Summer Processing for Q744 Employees**

Due to the summer pay processing, the June payrolls for P pay cycle employees will be affected by early timekeeping closings (Attachment A). Please see below.

- Service adjustments for annual educational paraprofessionals for the payroll period of May 16, 2011 through May 31, 2011 will close on May 13, 2011. The check date is June 15, 2011.
- Service adjustments for annual educational paraprofessionals for the payroll period of June 1, 2011 through June 15, 2011 will close on May 18, 2011. The check date is June 30, 2011.
- Substitute educational paraprofessional service, per session, and PSOEP service for the payroll period of June 1, 2011 through June 15, 2011 can be processed between June 1, 2011 and June 14, 2011. This service will be paid on a supplementary check dated and distributed on June 28, 2011.
- Substitute educational paraprofessional service, per session and PSOEP service for the payroll period of June 16, 2011 through June 30, 2011 can be processed between June 15, 2011 and June 23, 2011. This service will be paid on a supplementary check dated June 29, 2011 and distributed on June 30, 2011. This check will be distributed at the various summer check distribution locations.
- Any occasional time entered between June 24, 2011 and June 30, 2011 will be paid on the September 15, 2011 paycheck.

6. **Pro-Rata Vacation Entitlement**

The UFT and CSA contracts and the by-laws of the Department of Education provide for pro-rata vacation pay for those 10-month employees working less than a complete school year. The method of

proration differs for employees on **leave of absence without pay, new appointees, retirees and regular substitute teachers** (see Attachment 'B' for vacation entitlements). Active employees with a break in service during the school year or with a start date after the beginning of the school year will receive the appropriate deduction in each of the four summer checks. UFT Paraprofessionals and pedagogic employees including regular substitutes are paid pro-rata vacation pay at a daily rate of 1/360 of their annual salary. Payroll secretaries must return those checks representing payment for employees whose service ceased during the period covered by the check to prevent and/or reduce overpayments. Please ensure that the reason and dates for the returned check(s) are clearly indicated.

Inactive employees on the Q742 and Q744 payrolls who are entitled to pro-rata vacation pay should receive payment on supplementary payrolls issued throughout the summer months. If payment is not issued on the June 28, 2011 supplementary payroll, the employee should contact Pedagogic Payroll at 718 935-2221 beginning the week of July 15, 2011 to ascertain if their check has been issued. If you were on a leave of absence during the year, you should call 718-935-2220. UFT paraprofessionals should call 718 935-3030.

7. **Vacation Pay for Per Diem Substitutes**

Per Diem 'F' and 'Z' status substitutes are paid vacation at the rate of 1/200 of the annual salary corresponding with their salary code and step on the Per Diem payroll. Vacation accrues at the rate of one day for every 20 days served after a minimum of 60 days of service to a maximum of 9 vacation days. The rate of pay is calculated at the salary in effect when it was earned.

8. **Salary Adjustment for 12 Month CSA Employees**

All Assistant Principals/Supervisors designated to work a 12-month schedule effective July 1, 2011 will be placed on the appropriate salary schedule at that time. All summer checks will reflect the new rate of pay.

9. **Sabbatical Vacation Deductions**

A deduction equal to 1/5 of a month's vacation pay is made for each month that a pedagogue is on sabbatical for 16 days or more. If the employee remains on sabbatical for five (5) months, 5/5ths, which is equal to one month vacation, is paid at the sabbatical rate. If the employee takes a sabbatical for the fall (August 1 - January 31), the August checks are paid at the sabbatical rate. Employees approved for a spring (February 1 - July 31) sabbatical will have their July checks paid at the sabbatical rate.

If the staffing transaction for a fall sabbatical is processed after the summer checks are issued, the overpayment will be deducted in two installments on September 15 and September 30, 2011 (see Attachment "C" Sabbatical Schedule). These checks should not be returned for adjustments, since the overpayment will be deducted in September.

10. **CAR (Cumulative Absence Reserve)**

All school secretaries/timekeepers should prepare to close the school year with correct CAR balances. Secretaries correcting CAR balances on-line should check each employee's balance to make certain that the employee's CAR in EIS concurs with the OP152 form.

11. **Direct Deposit Enrollment Cancellation for Terminating or Retiring Employees**

Direct Deposit enrollment should be cancelled utilizing EIS function (9.6.5) for those employees who will be terminating service or begin a leave of absence at the end of the school year. This will not affect the direct deposit of their Summer Vacation entitlement as these checks have already been produced.

12. **Guidelines for Cumulative Absence Reserve (CAR) Payments**

Pedagogic employees and Education Paras are paid at the daily rate of 1/200 for 1/2 of their CAR balance. In order for CAR payments to be processed, an OP44 must be submitted by the terminating employee. These processes are detailed in **Attachment 'D'**. Please note that the OP44 is not required for Education Paras. Also, outstanding CAR balances are only paid to those Education Paras that are members of the Teachers Retirement System (TRS).

This memorandum will also be available on the DFO website and the Payroll Portal at <https://payrollportal.nycboe.net>.

JH/co
Attachments

c: J. Hederman, F. Perkins-Colón, K. Monroe, L. Tamburo, UFT, A. Arundell, UFT, E. Logan, CSA,

ATTACHMENT (A)

**CALENDAR OF EVENTS
END OF YEAR 2011
Q744 SUMMER PAYROLLS 2011**

PAY PERIOD EARNED DATES	TIMEKEEPING ENTRY DATES	TIMEKEEPING CLOSE DATES	PAY CYCLE	CHECK DATE
6/01/11 - 6/15/11	6/01/11 - 6/14/11	06/14/2011	P OCC's	06/28/2011
6/16/11 - 6/30/11	6/15/11 - 6/23/11	06/23/2011	P OCC's	06/29/2011
7/01/11 - 7/15/11	7/01/11 - 7/14/11	07/14/2011	P	07/19/2011
7/16/11 - 7/31/11	7/14/11 - 7/28/11	07/28/2011	P	08/03/2011
8/01/11 - 8/15/11	7/28/11 - 8/08/11	08/08/2011	P	08/17/2011
8/16/11 - 8/31/11	8/10/11 - 8/31/11	08/31/2011	P	09/15/2011

ATTACHMENT (B)

2010– 2011 SCHOOL YEAR

	School Closing	School Opening	Total Vac. Days	Factors
Asst Principals	6/30/11	8/29/11	58	.16111
Supervisors	6/30/11	8/29/11	58	.16111
Psychiatrists	6/30/11	8/29/11	58	.16111
Teachers	6/28/11	9/06/11	67	.18611
Attendance Teachers	6/28/11	9/06/11	67	.18611
Lab Specialists	6/28/11	9/06/11	67	.18611
Psychologists	6/30/11	9/06/11	65	.18056
Social Workers	6/30/11	9/06/11	65	.18056
Guidance Counselors	6/30/11	9/06/11	65	.18056
Secretaries	6/30/11	9/06/11	65	.18056
Educational Paras	6/28/11	9/06/11	67	.18611
Adult Ed Teachers	6/28/11	9/06/11	67	.18611

*NOTE: This schedule does not apply to 12 month Pedagogues who are entitled to 27 or 31 days of vacation per their collective bargaining agreement.

** The vacation factor represents the maximum number of vacation days divided by 360. For example: Teachers are entitled to a maximum vacation pay entitlement of 67/360 days = .18611

ATTACHMENT (C)

SABBATICAL VACATION PAY ENTITLEMENT

FALL SABBATICAL AUGUST - JANUARY

August	September	October	November	December	January
5/5 = 1 Month Vacation Pay at the Sabbatical Rate	1/5 Accrual	1/5 Accrual	1/5 Accrual	1/5 Accrual	1/5 Accrual

SPRING SABBATICAL FEBRUARY - JULY

February	March	April	May	June	July
1/5 Accrual	1/5 Accrual	1/5 Accrual	1/5 Accrual	1/5 Accrual	5/5 = 1 Month Vacation Pay at the Sabbatical Rate

- For each month that the employee is on a sabbatical for 16 days or more, 1/5 of a month salary is deducted from vacation pay at the sabbatical rate of pay.
- (1/5 x 5 months on sabbatical = 5/5 = 1 month) of vacation pay at the sabbatical rate.
- Fall sabbatical is deducted from the preceding August check (or paid at sabbatical rate for August).
- Spring sabbatical is deducted from the subsequent July check (or paid at sabbatical rate for July).

ATTACHMENT (D)

Guidelines for Termination Payments

A. Criteria for Returning the Paychecks for Terminating or Retiring Employees with Negative CAR Balances

Staff retiring at the end of the school year with a negative CAR may have some of the vacation checks released to them based on the following example:

Jane Doe, teacher, has a negative CAR of 12 days, and an annual salary of \$50,000. The formula for computing the daily absence deduction rate is to divide 1/300 of the annual salary. First, compute the teacher's vacation pay entitlement and determine the amount that must be deducted to cover the negative CAR balance. Please perform the following calculations:

Annual Salary = \$50,000 divided by 24 x 4 = \$8,333.33 (summer payment)

4 Summer Pay Checks @ = \$2,083.33 each

Negative CAR = \$50,000 divided 1/300 = daily deduction rate of \$166.66
\$166.66 x 12 days = \$1,999.99 is to be recouped

Using the comparison chart below, the secretary would return two (2) checks to cover the negative CAR or place a Direct Deposit stop payment for the appropriate number of pay periods.

The total of the checks returned can never be less than the amount owed. Adjustments will be made to refund the balance owed.

Comparison Chart for \$50,000 annual salary:

CAR	Gross Payroll Dollar Value	Number of Vacation Checks to be Returned
- 5 days	\$833.33	1
-10 days	\$1,666.60	1
-15 days	\$2,499.90	2
-20 days	\$3,333.20	2

The Statement of Undistributed Check Form is to be prepared for each check that is returned.

Please access the form at:

<http://schools.nyc.gov/NR/rdonlyres/11F7500C-C15A-4211-80DB-FA12D39FFB64/0/undistribpaychks.pdf>.

If you do not use this form, return the check with a letter, which clearly states the reason the check is being returned. **All undistributed payroll checks must be returned immediately to:**

New York City Department of Education
Bureau of Check Management
P.O. Box 10
Brooklyn, New York 11202

Please do not hold undistributed payroll checks at the school.

B. Termination Pay - Form OP44 must be filed with the payroll secretary for pedagogic employees. Employees are paid for half of the unused sick leave at a daily rate of 1/200 of annual salary. Those pedagogues that wish to delay receipt of their lump sum payment should so indicate at the bottom of the form submit it in January of the year indicated. UFT paraprofessional termination pay is paid based on the final entitlement and employee membership in the Teachers' Retirement System. CAR balances for UFT members are paid in three installments: 2 months, 14 months, and 26 months following his/her termination date or when the OP44 is submitted. If the amount owed is \$1,500.00 or less, it will be issued as one payment. **Please note that the OP44 Form is not required for Q744 employees. Any remaining CAR balance is paid automatically when Final Entitlement is processed.**

C. Final Entitlement – All final entitlement and vacation payment checks are subject to Federal, State, City and Social Security taxes.

D. Summer Check Entitlement for Principals and 12 Month Assistant Principals/Supervisors – Employees in these titles who retire during the summer are not eligible to receive summer paychecks for the period succeeding their retirement date. For example, a principal retiring on 7/1/11 is not entitled to checks issued on 7/15, 7/29, 8/15 and 8/31. These checks should be returned for cancellation and/or adjustment. If the employee is enrolled in Direct Deposit stops should be entered using EIS function 9.6.6 for each check.