



THE NEW YORK CITY DEPARTMENT OF EDUCATION

JOEL I. KLEIN, *Chancellor*

Vincent A. Giordano, *Executive Director*
Division of Financial Operations

PAYROLL ADMINISTRATION MEMORANDUM – NO. 17, 2006 - 2007

DATE: June 6, 2007

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

FROM: Vincent A. Giordano, Executive Director *Vincent A. Giordano*

SUBJECT: **Q742 & Q744 Payroll End of School Year Procedures and Information**

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

1. Summer Vacation Check Distribution
2. Lost, Stolen or Mutilated Checks
3. Closed Electronic Fund Transfer (EFT) Accounts
4. Prep Period Payments
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
12. CSA Collective Bargaining Agreement Information

Should you have any questions regarding the below information please call **Pedagogic Payroll** at (718) 935-2218 or the **Paraprofessional Payroll** at (718) 935-3030.

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. Employees enrolled in the Direct Deposit program will receive 5 pay stubs. 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 periods:

Check Date	Pay Period
June 29, 2007	June 16 - June 30
July 13, 2007	July 1 - July 15
July 31, 2007	July 16 - July 31
August 15, 2007	August 1 - August 15
August 31, 2007	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 \$40 per check as well as any penalty imposed by the employee's bank. The penalty will be deducted in the Fall of 2007.**

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 Regional Operation's Center (ROC).

Please provide the following information:

- Name, file number, social security number, home address;
- Date of check, school district, borough, NET amount of the check;
- 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 will be issued.

3. **Closed EFT Accounts**

Employees participating in the Direct Deposit Program **must not** close the checking or savings accounts scheduled to receive Direct Deposit payments during July and August 2007. The EFT payment generated in June for July and August **cannot be re-routed** to new accounts. 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.

4. **Prep Period Payments**

On-line service entered by May 23, 2007 will be paid on June 29, 2007. Prep Periods entered on-line between June 5, 2007 and June 14, 2007 will be paid on the June 27, 2007 supplementary payroll. Prep Periods covering June 16, 2007 through June 30, 2007 will be paid in September 2007.

5. **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 'A' 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. 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 27, 2007 supplementary payroll, the employee should contact Pedagogic Payroll at 718 935-2221 beginning the week of July 16, 2007 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 718 935-2219.

6. **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 as it was earned.

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

All Assistant Principals/Supervisors designated to work a 12-month schedule effective July 1, 2007 will be placed on the appropriate salary schedule at that time. All summer checks will reflect the new rate of pay.

8. **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 14 and October 1, 2007 (see Attachment "B" Sabbatical Schedule). These checks should not be returned for adjustments, since the overpayment will be deducted in September.

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

Pedagogic employees and Education Paras are paid at the daily rate of 1/200 for 1/2 of their CAR balance. 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.

10. **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.

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

In order for CAR payments to be processed, an OP44 must be submitted by the terminating employee. These processes are detailed in **Attachment C**. 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 Teacher's Retirement System (TRS).

12. **CSA Collective Bargaining Agreement Implementation**

The payroll timeline for implementation of the CSA agreement for all active employees is as follows:

	Pay Date	
QBank	6/30/07	Payment of Arrears to 6/15/07 & new salary effective 6/16/07
TBank	7/3/07	Payment of Arrears to 5/31/07 & new salary effective 6/1/07
HBank	6/29/07	Payment of Arrears to 6/9/07 & new salary effective 6/10/07

Lump Sum Payment Dates

*QBank 8/21/07
*HBank 8/24/07
TBank 8/31/07 This payment will be prorated for Fstatus per diem service spanning from 3/16/07 through 6/15/07

*Lump sum payment eligibility is contingent upon active status on 6/27/07.

This memorandum will also be available on our website at:

<http://www.nycenet.edu/Offices/DFO/PayrollAdministration/MostPopularClicks/PayrollMemoranda.htm>

VAG/ms

Attachments

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ATTACHMENT (A)

2006 – 2007 SCHOOL YEAR

	School Closing	School Opening	Total Vac. Days	Factors
Asst Principals*	6/29/07	8/27/07	57	.15833
Supervisors	6/29/07	8/27/07	57	.15833
Psychiatrists	6/29/07	8/27/07	57	.15833
Teachers	6/27/07	8/30/07	62	.17222
Attendance Teachers	6/27/07	8/30/07	62	.17222
Lab Specialists	6/27/07	8/30/07	62	.17222
Psychologists	6/27/07	8/30/07	62	.17222
Social Workers	6/27/07	8/30/07	62	.17222
Guidance Counselors	6/29/07	8/30/07	60	.16666
Secretaries	6/29/07	8/30/07	60	.16666
Educational Paras	6/27/07	8/30/07	62	.17222
Adult Ed Teachers	6/27/07	8/30/07	62	.17222

*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 62/360 days = .17222

ATTACHMENT (B)

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 (C)

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. This is a multipart form and the copies should be distributed as indicated on the bottom of each sheet. If you do not have 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 until the next year should not submit the OP44 form until January of the following year. 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. **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 7/1/07 is not entitled to checks issued on 7/13, 7/31, 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.