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PAYROLL ADMINISTRATION MEMORANDUM NO. 17 2010-2011

DATE: May 13, 2011

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

FROM: Francine Perkins-Colón 

SUBJECT: **Vacation Pay Calculation and Summer Service Processing for UFT 10 Month Administrative Titles**

This memorandum discusses the vacation and summer pay processing for nurses, therapists and sign language interpreters.

Vacation Pay Calculation

In accordance with the terms of the current contract, all annual nurses, therapists and sign language interpreters work a 10 month year and are paid over 12 months. As such, those annual employees with no break in service will continue to receive their normal bi-weekly paychecks during the summer vacation period (6/29/11 through 9/5/11). Hourly employees will be paid only for service rendered through 6/28/11 on Friday, 7/22/11 unless they will be working during the summer months.

Prorated Vacation Pay Entitlement for Annual Employees with a Break in Service

Annual employees who were hired after 9/7/10 or were on an unpaid Leave of Absence during the school year will be eligible for a prorated vacation pay entitlement covering the period of 6/29/11 through 9/5/11. Listed below are the variables for the computation of vacation pay entitlement:

Number of days in the calendar year = 365

Number of work days in bi-weekly pay period = 10

Number of calendar days in a bi-weekly period = 14

Number of summer vacation pay days (2011) = 49

Bi-weekly salary = Annual salary ÷ number of days in the calendar year X number of calendar days in a two week period

The following examples illustrate the prorating methodology:

Example 1:

An employee hired effective 11/9/10 with an annual salary of \$50,000 who served through 6/28/11 is eligible to receive 80% of the vacation pay entitlement. Entitlement is computed at 10% for each month

of service covering the period September through June. An employee must serve more than 15 calendar days in a month for eligibility. The adjustment will be deducted over the four summer checks to be issued on: 7/22, 8/5, 8/19 and 9/2/11.

Annual salary \$50,000 ÷ 365 calendar days X 14 days ÷ 10 work days = \$191.78 daily pay rate

The 2010/2011 school year vacation entitlement is 49 days.

Vacation entitlement is computed as: \$50,000 ÷ 365 X 14 ÷ 10 X 49 days = \$9,397.26

An employee entitled to 80% vacation entitlement: \$191.78 X 49 days X 80% = \$7,517.78

Total Deduction = **\$1,879.48**

In this example a deduction of \$469.86 will be taken in four installments on 7/22, 8/6, 8/5 and 9/2/11.

Example 2:

An employee who worked during the school year at an annual salary of \$50,000 and resigned on 4/1/11 would receive a vacation pay entitlement of \$6,578.08, equal to 70%, in a lump sum to be distributed on 6/28/11.

\$50,000 ÷ 365 X 14 ÷ 10 = \$191.78 per work day

Vacation entitlement is computed as: \$191.78 X 49 days X 70% = \$6,578.08

Example 3:

An employee who was on an unpaid leave of absence for the period of 1/7/11 through 2/25/11, which is equal to 30 school days, would receive a reduction of 7.95 vacation days. An amount of \$1,524.65 will be deducted over the four pay checks to be issued on: 7/22, 8/5, 8/19 and 9/2/11.

30 days X .265 (vacation factor*) = 7.95 days of vacation pay adjustment

*Vacation Factor = (# of vacation days ÷ # of schools days) (49 ÷ 185 = .265)

Annual salary of \$50,000 ÷ 365 X 14 ÷ 10 = \$191.78 daily rate of pay

Vacation entitlement adjustment: \$191.78 X 7.95 = \$1,524.65

In this example a deduction of \$381.16 will be taken in four installments on 7/22, 8/6, 8/5 and 9/2/11 to reduce the vacation entitlement.

Summer Service Processing

10 Month UFT annual employees who work during the summer months will be paid at an hourly rate equal to 1/1213 of their annual salary. **10 Month UFT** annual employees in supervisory titles will be paid at an hourly rate equal to 1/1417.5 of their annual salary. These payments will be issued in separate checks and delivered to the same location as the employee's annual pay checks unless updated. Checks will be directly deposited for those employees who are currently enrolled in the Electronic Fund Transfer (EFT). The timekeeping schedule for the summer is as follows:

Summer Service Pay	Cybershift Close Dates	Check Date
6/29-7/09/11	7/11/11	7/22/11
7/10-7/23/11	7/25/11	8/5/11
7/24-8/6/11	8/8/11	8/19/11
8/7-8/20/11	8/22/11	9/2/11

Hourly employees who will be working during the summer will continue to be issued one paycheck.

If you have any questions, please call Brian Weekes, Director of Administrative Payroll at 718-935-2201.

FPC/dg

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