



**Department of
Education**

Dennis M. Walcott, Chancellor

PAYROLL ADMINISTRATION MEMORANDUM

2012-2013

NO. 21



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George Vasiliou
Executive Director

DATE: May 17, 2013
TO: CFN Executive Directors (Via Email)
Principals (Via Principal's Weekly)
Payroll Secretaries (Via Email)
FROM: Francine Perkins-Colón 
SUBJECT: FY2013 End of Year Information and Procedures for
Q742 and Q744

The procedures outlined in this memorandum, will guide you through payroll processes relevant to the end of the school year. These processes include:

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

Should you have questions regarding this memorandum, please call Pedagogic/School Based Payroll (Q742 Payroll) at (718) 935-2218, or Hourly Support Payroll (Q744 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. 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 five periods:

Check Date	Pay Period
June 28, 2013	June 16 - June 30
July 15, 2013	July 1 - July 15
July 31, 2013	July 16 - July 31
August 15, 2013	August 1 - August 15
August 30, 2013	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 2013 by the NYC Office of Payroll Administration (OPA).

2. Lost, Stolen or Mutilated Checks

Replacement for lost, stolen, or mutilated 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).

In order to reissue a check, 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 for processing before a replacement check is issued.

3. Electronic Fund Transfer (EFT) Accounts

Employees participating in the EFT or Direct Deposit Programs must not close their checking or savings accounts that are listed to receive the Direct Deposit payments during July and August 2013. The EFT payment generated in June for July and August cannot be re-routed to a new account. . 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. If a check is returned due to an EFT closed account or incorrect account number, please contact the Payroll Benefits Unit at (718) 935-3545. Please note: emergency checks will not be issued in these instances

4. Prep Period Payments

Prep Period payments will be issued according to the following schedule:

- On-line service entered by May 15, 2013 will be paid on June 28, 2013.
- Prep Periods entered on-line between May 29, 2013 and June 13, 2013 will be paid on the June 26, 2013 supplementary payroll.
- Prep Periods covering June 16, 2013 through June 30, 2013 will be paid in September 2013.

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**). The following also applies:

- Service adjustments for annual educational paraprofessionals for the payroll period of May 16, 2013 through May 31, 2013 will close on May 10, 2013. The check date is June 14, 2013.
- Service adjustments for annual educational paraprofessionals for the payroll period of June 1, 2013 through June 15, 2013 will close on May 15, 2013. The check date is June 28, 2013.
- Substitute educational paraprofessional service, per session, and PSOEP service for the payroll period of June 1, 2013 through June 15, 2013 can be processed between May 29, 2013 and June 13, 2013. This service will be paid on a supplementary check dated and distributed on June 26, 2013.

- Substitute educational paraprofessional service, per session and PSOEP service for the payroll period of June 16, 2013 through June 30, 2013 can be processed between June 14, 2013 and June 24, 2013. This service will be paid on a supplementary check dated June 27, 2013 and distributed on June 26, 2013. This check will be distributed at the various summer check distribution locations.
- Any occasional time entered between June 25, 2013 and June 26, 2013 will be paid on the September 16, 2013 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 the 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 26, 2013 supplementary payroll, the employee should contact Pedagogic Payroll at (718) 935-2221 beginning the week of July 14, 2013 to ascertain if a check has been issued. Employees who were on a leave of absence during the year 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 based upon the salary that was 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, 2013 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 16 and September 30, 2013 (see **Attachment C**). 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 paraprofessionals are paid at the daily rate of 1/200 for one-half 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 paraprofessionals. Also, outstanding CAR balances are only paid to those education paraprofessionals 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>.

FPC/ mw
Attachments

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ATTACHMENT (A)

Q744 SUMMER PAYROLL SCHEDULE – 2013

PAY PERIOD EARNED DATES	TIMEKEEPING ENTRY DATES	TIMEKEEPING CLOSE DATES	PAY CYCLE	CHECK DATE
6/01/13 - 6/15/13	5/29/13 - 6/13/13	06/13/2013	P OCC's	06/26/2013
6/16/13 - 6/30/13	6/14/13 - 6/24/13	06/24/2013	P OCC's	06/27/2013
7/01/13 - 7/15/13	7/01/13 - 7/11/13	07/11/2013	P	07/16/2013
7/16/13 - 7/31/13	7/12/13 - 7/25/13	07/25/2013	P	08/02/2013
8/01/13 - 8/15/13	7/29/13 - 8/06/13	08/06/2013	P	08/13/2013
8/16/13 - 8/31/13	8/07/13 - 8/28/13	08/28/2013	P	09/16/2013

ATTACHMENT (B)

PRO-RATA VACATION ENTITLEMENTS BY TITLE

2012 - 2013 SCHOOL YEAR

Title	School Closing Date	School Opening Date	Total Vacation Days	Factor *
Asst Principals	6/28/13	8/26/13	57	.15833
Supervisors	6/28/13	8/26/13	57	.15833
Psychiatrists	6/28/13	8/26/13	57	.15833
Teachers	6/26/13	9/03/13	66	.18333
Attendance Teachers	6/26/13	9/03/13	66	.18333
Lab Specialists	6/26/13	9/03/13	66	.18333
Psychologists	6/28/13	9/03/13	64	.17778
Social Workers	6/28/13	9/03/13	64	.17778
Guidance Counselors	6/28/13	9/03/13	64	.17778
Secretaries	6/28/13	9/03/13	64	.17778
Educational Paras	6/26/13	9/03/13	66	.18333
Adult Ed Teachers	6/26/13	9/03/13	66	.18333

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 66/360 days = .18333

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 the monthly 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 the sabbatical rate for August).

Spring sabbatical is deducted from the subsequent July check (or paid at the sabbatical rate for July).

ATTACHMENT (D)

GUIDELINES FOR CUMULATIVE ABSENCE RESERVE (CAR) PAYMENTS

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

Employees who will be terminating or retiring at the end of the school year yet have negative CAR balances may have some of their vacation checks released to them based on the following example:

Jane Doe, a teacher, has a negative CAR balance of 12 days and an annual salary of \$50,000. The formula for computing the daily absence deduction rate is to multiply the annual salary by 1/300. 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:

1. $Total\ Summer\ Pay = \frac{\$50,000\ annual\ salary}{24\ pay\ periods} \times 4\ summer\ pay\ periods = \$8,333.33$

2. $Summer\ Pay\ per\ Pay\ Period = \frac{\$8,333.33}{4\ pay\ periods} = \$2,083.33$

3. $Daily\ Absence\ Deduction\ Rate = \$50,000 \times \frac{1}{300} = \166.66

4. $Money\ Owed\ to\ Cover\ Negative\ CAR\ Balance = \$166.66 \times 12\ CAR\ days = \$1,999.99$

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

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

Sample Comparison Chart for an Employee Whose Annual Salary is \$50,000:

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 this form at:

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

If you choose not to use the form, return the check(s) with a letter clearly stating the reason for their return. 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

Pedagogic employees must submit Form OP44 to their payroll secretaries. Employees are paid for half of their unused sick leave at a daily rate of 1/200 of their annual salaries. Those pedagogues who wish to delay receipt of their lump sum payment should indicate the year in which they wish to be paid in Section III, and delay submission of the form until January of that year. Termination pay for UFT paraprofessionals 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

Principals and 12-month assistant principals and supervisors 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 7/1/13 is not entitled to checks issued on 7/15, 7/31, 8/15 and 8/30. These checks should be returned for cancellation and/or adjustment. If the employee is enrolled in direct deposit, a stop should be entered into EIS function 9.6.6 for each check.