



Dennis M. Walcott, Chancellor

PAYROLL ADMINISTRATION MEMORANDUM

2012-2013

NO. 23



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George Vasiliou
Executive Director

DATE: May 17, 2013
TO: CFN Deputy Directors (via e-mail)
Principals (via "Principals' Weekly Newsletter")
Payroll Secretaries/Timekeepers (via e-mail)

FROM: Francine Perkins-Colón

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Subject: Summer Service Processing & Vacation Pay Calculation
for Nurses, Therapists and Sign Language Interpreters,
10-Month Employees

This memorandum provides an overview of processes associated with vacation and summer pay for nurses, therapists, sign language interpreters, and 10 month employees.

Summer Service Processing: 10 Month UFT Administrative Employees

- Annual employees who work during the summer vacation period (6/27/2013 - 9/2/2013) will be paid at an hourly rate equal to 1/1213 of their annual salary.
These payments will be issued in separate checks; and either:
Delivered to the same location as the employees' annual pay checks, or,
Issued via Direct Deposit for those employees who are currently enrolled in the Electronic Fund Transfer (EFT).
The timekeeping schedule for the summer is as follows:

Table with 3 columns: Summer Service Period, Cybershift Close Dates, Check Date. Rows include periods from 6/27-7/6/13 to 8/4-8/17/13.

Vacation Pay Calculation

- Per the current contract, all annual nurses, therapists, and sign language interpreters work a 10-month year, and are paid over a 12-month period
For the summer vacation period of 6/27/2013 - 9/2/2013, the above referenced annual employees, who have no break in service, will continue to receive their standard biweekly paychecks.
Hourly employees are not entitled to receive vacation pay;

- These employees will be paid, on 7/19/13 for service rendered through 6/26/13.
- Only those hourly employees working during the summer vacation period will receive checks beyond this date.
- The hourly summer service timekeeping schedule is the same as the annual population, and is outlined in the table above.
- Summer service checks will be distributed on the following dates: 7/19, 8/2, 8/16, and 8/30/13.

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

- Annual employees, hired *after* September 4, 2012, or on an *unpaid* Leave of Absence during the school year, are eligible for a prorated vacation pay entitlement, covering the period 6/27/13 through 9/2/13.
- The variables for the computation of summer pay entitlement are the following:
 - Number of days in the calendar year = 365
 - Number of work-days in bi-weekly pay period = 10
 - Number of summer vacation pay days (2013) = 48
 - Bi-weekly salary = Annual salary ÷ number of days in the calendar year times the number of calendar days in a two-week period
 - NOTE: Vacation Factor = (# of vacation days ÷ # of school days)
(48 days ÷ 183 days = A vacation factor of .262)

The following three examples are provided to illustrate the prorating methodology discussed above:

Example #1

- John Smith is hired effective 11/8/12 with an annual salary of \$50,000, and he works through 6/26/13. Based on the time served, he is eligible to receive 80% of the vacation pay entitlement.
 - Entitlement is computed at 10% for each month of service covering the period of 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: July 19th, August 2nd, August 16th, and August 30th of 2013.
- Annual salary \$50,000 ÷ 365 calendar days X 14 days ÷ 10 work days = \$191.78 daily pay rate.
- The 2012/2013 school year vacation period is 48 days.
- Vacation entitlement is computed as:
 - $\$50,000 \div 365 \times 14 \div 10 \times 48 \text{ days} = \$9,205.48$
 - $\$191.78 \times 48 \text{ days} \times 80\% \text{ entitlement} = \underline{\$7,364.35}$
 - Total Deduction \$1,841.13
- A deduction will be taken in four installments of \$460.28 on:
 - July 19th, August 2nd, August 16th, and August 30th of 2013.

Example #2

- Jane Smith works throughout the school year at an annual salary of \$50,000, she resigned on 4/1/13.
- She would receive a vacation pay entitlement of \$6,443.81;
 - Equal to 70%, in a lump sum to be distributed on *June 26, 2013*.
 - $\$50,000 \div 365 \times 14 \div 10 = \191.78 per work day
 - $\$191.78 \times 48 \text{ days} \times 70\% = \$6,443.81$

Example #3

- Joan Smith was on an unpaid leave of absence for the period of 1/7/13 through 2/20/13:

- This period is equal to 30 school days;
- She would receive a reduction of 7.86 vacation days;
- \$1,507.39 will be deducted over the four pay checks to be issued on: July 19th, August 2nd, August 16th, and August 30th of 2013.
- 30 days X .262 (vacation factor) = 7.86 days of vacation pay adjustment; therefore:
 - Annual salary of \$50,000 ÷ 365 X 14 ÷ 10 = \$191.78 daily rate of pay
 - \$191.78 X 7.86 = \$1,507.39.
 - Vacation pay reduction in four equal deductions of \$376.85.

If you have any questions regarding the processes or protocols outlined above, please call Brian Weekes, Director of Administrative Payroll at 718-935-2201.

FPC/mw

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