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PAYROLL ADMINISTRATION MEMORANDUM NO. 34, 2008 - 2009

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

FROM: Vincent A. Giordano 
Executive Director

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

This memorandum discusses the vacation 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 are now working 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 biweekly paychecks during the summer vacation period (6/29/09 through 9/2/09). Hourly employees will be paid only for service rendered through 6/26/09 on Friday, 7/24/09 unless they will be working during the summer months. Direct Deposit pay stubs and paychecks for all employees will be delivered to the employees' respective Integrated Service Center (ISC).

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

Annual employees who were hired after 8/28/08 or were on an unpaid Leave of Absence during the school year will be eligible for a prorated vacation pay entitlement covering the period 6/29/09 through 9/2/09. The variables for the computation of summer pay entitlement follow:

Number of days in the calendar year = 365

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

Number of days summer vacation pay days (2009) = 48

Bi-weekly salary = Annual salary ÷ number of days in the calendar year X number of calendar days in a two week period ÷ 10 work days

The following examples illustrate the prorating methodology:

- a) An employee who was newly hired at an annual salary of \$50,000 effective 11/09/08 and served through 6/26/09 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 where an employee serves more than 15 calendar days in a month. The adjustment will be deducted over the four summer checks to be issued on: 7/24, 8/7, 8/21 and 9/4/09.

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

2008/2009 school year vacation entitlement 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 7/24, 8/7, 8/21/09 and 9/4/09.

b) An employee who worked during the school year at an annual salary of \$50,000 and resigned on 4/2/09 would receive a vacation pay entitlement of \$6,443.84 equal to 70% in a lump sum to be distributed on 6/26/09.

$\$50,000 \div 365 \times 14 \div 10 = \$191.78 \text{ per work day}$

$\$191.78 \times 48 \text{ days} \times 70\% = \$6,443.84$

c) An employee who was on an unpaid leave of absence for the period 1/9/09 through 2/27/09 equal to 30 school days would receive a reduction of 7.70 vacation days \$1,476.71 to be deducted over the four pay checks to be issued on: 7/24, 8/7, 8/21/09 and 9/4/09.

$30 \text{ days} \times 48 \text{ vacation factor} \div 187 \text{ school days} = 7.70 \text{ days of vacation pay adjustment}$

Annual salary of $\$50,000 \div 365 \times 14 \div 10 = \$191.78 \text{ daily rate of pay}$

$\$191.78 \times 7.70 = \$1,476.71 \text{ vacation pay reduction in four equal deductions of } \$369.18.$

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 or will be issued via direct deposit for those employees who are currently enrolled in the Direct Deposit Program. The timekeeping schedule for the summer is as follows:

Summer Service Period	Cybershift Close Dates	Check Date
6/29 – 7/10/09	7/13/09	7/24/09
7/13 – 7/24/09	7/27/09	8/7/09
7/27 – 8/8/09	8/10/09	8/21/09
8/10 – 8/21/09	08/24/09	09/4/09

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 at 718-935-2201.

VAG/co

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