

## **Back to School Payroll Information**

### **FY2012 Pay Calendar and Benefits Deduction Information**

The Florida Legislature enacted a law [FS 1001.42(4)(f)] a few years ago that requires students begin the school year no earlier than fourteen (14) days before Labor Day. This legislation took effect for the 2007-08 school year, but Palm Beach County was able to get a waiver the past few years as either a charter district or high performing district. The charter district pilot has expired and Palm Beach County no longer qualifies as a high performing district. Therefore, the School District legally has no choice but to begin school no earlier than two weeks before Labor Day for this upcoming school year. Students will begin school on Monday, August 22, 2011 and 196 Duty Day Teachers reported to work on Tuesday, August 16, 2011. This later start time similarly impacts the contract start date for other employee groups.

#### **How does this impact the 2012 Pay Calendar?**

**Teachers** - The majority of our teachers have elected to receive their pay over 26 bi-weekly checks. For 26 pay teachers, the last paycheck for the 2010-2011 school year occurred on August 5, 2011. As a result of the later start for the 2011-12 school year, teachers will not have a scheduled work day within the pay period (7/30/11 to 8/12/11) for the August 19, 2011 payroll. Therefore, the first pay date for the 2011-12 school year would have fallen on Friday, September 2, 2011. In order to provide employees with two paychecks within the month of August, the district and CTA agreed through a memorandum of understanding (MOU) to move the first pay date for 2011-12 up to Wednesday, August 31, 2011. To reiterate, all returning 26 pay teachers received their final check for the 2010-11 school year on August 5, 2011 and their first check for the new 2011-12 school year will be on August 31, 2011. The two paychecks in September will be paid on Friday, September 16, 2011 and on Friday, September 30, 2011. Thereafter, paychecks for the balance of the 2011-12 school year will be paid every other Friday with the last check for 26 pay teachers occurring on August 17, 2012.

#### ***Other Employee Groups –***

***Non-instructional employees who are assigned to a 190 duty day position:*** Employees in this group include Media Clerks, After School Directors and Hearing/Educational Interpreters. The shift in the calendar results in the 190 duty day employee group not having any scheduled work days in the period ending 8/12/11 for the August 19, 2011 pay date. The provisions to move the pay date to August 31<sup>st</sup>, 2011 will be extended to this group of employees along with the teachers.

***22 Pay Non-instructional employees:*** Employees in this group include Bus Drivers/Bus Attendants, School Food Service Assistants, Paraprofessionals and Police Aides. The first pay date of the 2011-2012

school year would have fallen on Friday, September 2, 2011, but will shift to Wednesday, August 31, 2011.

*All other employee groups:* With the exception of the shift in pay date from September 2, 2011 to Wednesday, August 31, 2011, other employee groups are not impacted.

**The two paychecks in September will be paid on Friday, September 16, 2011 and on Friday, September 30, 2011.**

This was the best accommodation possible given the law and circumstances surrounding the school calendar. (School districts are prohibited by law [FS 1011.60 (2)(c)] from paying employees in advance of services being rendered. )

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### [How does this impact the 'benefits holiday' scheduled for the September 30<sup>th</sup>, 2011 paycheck?](#)

Due to the later start of school in August 2011, and the resulting delayed paychecks, payroll deductions will be adjusted for affected pay groups. This is necessary because employees in these pay groups will miss one or more deductions within this calendar year. Thus, if you are in any of the following pay groups, your deduction changes are detailed below. (If your pay group is not listed, you are not impacted).

To view the 2012 Pay Calendar, please use this link to the District website:

<http://www.palmbeachschools.org/accounting/documents/FY12CalendarEEversion.pdf>

#### **26 pay – Pay groups 70, 50, 190, 235, and 290**

These groups will have one less pay check within the calendar year 2011 (25 instead of 26), so we need to make up the missed deductions. These groups will have all regular deductions on the pay date of September 30<sup>th</sup>, 2011 for everything except Flexible Spending Accounts (FSAs). This is normally the third pay date of the month and a deduction free pay date. FSAs are treated differently as FSAs self adjust within our software program for 26 pay employees. So beginning with the pay date of August 31<sup>st</sup>, 2011, the FSA deductions will be recalculated so the missed deduction is spread equally over all remaining pays. The annual FSA deduction remains as elected.

#### **22 pay - Pay Group 60**

This group will have one less pay check within calendar year 2011 (21 pay checks instead of 22) and therefore employees will need to make up one full set of payroll deductions, **including** Flexible Spending Accounts (FSAs). We will split the missed deductions for all regular deductions (except 403(b)s) on the

September 16<sup>th</sup> and September 30<sup>th</sup> , 2011 pay dates. These will be in addition to your regular deductions on those pay dates.

#### *Tax Shelter Annuities and 403(b) deductions for Pay Group 60*

We will not be taking the missed 403(b) deductions so as to avoid any unnecessary hardships on each employee. These deductions are elected based on a per pay amount. If you wish to adjust the amounts so that you reach the total desired amount for the calendar year 2011, please submit your changes through your tax shelter 403(b) provider. If your 403(b) is with Fidelity you may obtain a form from our website through the department of Risk and Benefits Management. We will need the completed form submitted to Risk and Benefits Management by Tuesday August 23<sup>rd</sup> , 2011 in order to make the change effective for the paycheck on August 31<sup>st</sup> , 2011. There will be 9 paychecks from August 31<sup>st</sup> , 2011 through December 31<sup>st</sup> , 2011 for these pay groups. If you send in the form after that date, please keep in mind the number of remaining pay checks. Any questions on 403(b) deductions should be directed to Maureen Kerley at 561-434-8959.

#### **FRS Changes Effective 7/1/2011**

Reminder – FRS changes that require employee contributions on eligible FRS wages took effect on 7/1/2011. For information on how the recent FRS changes impact your paychecks, please visit the District website and access information at the top of the page using the link below:

<http://www.palmbeachschools.org/accounting/Payroll.asp>

#### **Preparing for Calendar Year 2012**

The *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*, included an item that impacts an employee's take home pay during the 2011 calendar year. Commonly referred to as the 'Payroll Tax Holiday' it affords employees a 2% reduction in social security tax (OASDI/FICA) on eligible social security wages. The rate for calendar year 2011 is 4.2% down from the previous 6.2%. **Please be aware that this is scheduled to expire on December 31<sup>st</sup> , 2011 and would result in an impact to your net take home pay beginning with paychecks received in the 2012 calendar year.** *There is some discussion in Washington about extending the "Payroll Tax Holiday" in some form, but that remains to be seen and will likely not be known until the end of calendar year.*