



## What happens to my paychecks if I take an unpaid leave of absence?

Employees who take an unpaid leave of absence during the school year will experience an impact to their balance of contract pay at the end of the school year. In order to generate full (100%) deferred pay, employees must work their entire contract. Employees on a 26 pay calendar accrue their deferred pay throughout the school year. Time not worked due to a leave of absence has a direct impact on the deferred pay accumulated for payout during the summer months. The impact on deferred pay varies based on when the leave of absence begins and/or ends; this occurs whether you return to active status during the same year or remain on leave of absence through the end of the school year. Please be aware that if you fall into this category it **will** impact the paychecks you receive during the summer months and they will be adjusted accordingly. Employees who begin the year in an active status are advanced sick leave and may use more than they will earn by year end. If this occurs, the leave balance will be adjusted and days used but unearned will be deducted from the balance at year end. This may negatively impact the funds due at the end of the year as well.

For illustration purposes we are using an example for the 2011 – 2012 School year:

1. Teacher Jones begins the school year on time and works until he begins an unpaid Personal leave on November 8, 2011 which was his last day worked/compensated for. He returns from the leave of absence on April 09, 2012. His position is 196 duty days.
2. His annual salary is \$52,411.00. The annual salary when divided by 26 results in a biweekly pay amount of \$2,015.81. He receives his first biweekly check on August 31, 2011.
3. He continues to receive biweekly paychecks in this amount through the check issued on November 11, 2011.
4. He returns to active status on April 09, 2012 and receives a biweekly paycheck in the amount of \$2,015.81 on April 27, 2012. He continues to receive regular biweekly paychecks through June 22, 2012.
5. At that point in time, his contracted earnings are compared to actual amounts paid and a 'balance of contract' amount is calculated.
6. Adjustments necessary to balance the contract are then spread evenly over the summer checks. For the purpose of this example, the summer checks paid to an employee in this duty day position were paid two in July and two in August.
7. As shown in the reconciliation document below, Teacher Jones was compensated for 105 days for the period, August 16, 2011 – November 8, 2011 and April 09, 2012 – June 08, 2012; this accounts for the number of days for the periods he worked in the 2011 – 2012 school year.
  - The \$52,411.00 annual salary is divided by 196 days, or the number of days to complete the contract at 100%.
  - A daily rate of \$267.40 is derived and multiplied by the number of compensated days (105).
  - Teacher Jones has earned \$28,077.32 for the 2011 – 2012 school year.
  - As of the June 22, 2012 paycheck, Teacher Jones has received \$22,173.94 in earnings. His balance of contract for the four (4) summer paychecks is \$5,903.41. When divided equally, the biweekly amount is \$1,475.85.
  - Since his regular biweekly pay is \$2,015.81 it is necessary to reduce the biweekly amount by \$539.65 to balance his contract.

6/29/2011

Attachment 3