



Memo

Date: June 14, 2021
To: Principals and school business managers
From: Shannon Wiggins, HRMS Analyst, Office of Human Resources
Re: School end of year payroll reminders

Below are a few reminders regarding end of year payroll practices for school employees.

PAYROLL HOURS LESS THAN 12 MONTHS EXEMPT EMPLOYEES:

When processing a payroll file during summer months, which includes employees who are paid over 12 months on a salary basis but only work 10 or 11 months, be sure to adjust or remove from Employee Auto Post or Global Auto Post any default scheduled hours. This includes teachers. Doing this allows for more precise tracking of hours for benefit participation.

RENEWING CONTRACTED TEACHERS:

The only payroll adjustments for teachers is the adjustment or removal of default scheduled hours.

The compensation reported for pension is based on pay date. This is no different going forward than it has been in the past for returning teachers.

NON- RENEWING CONTRACTED TEACHERS:

Teachers who are not returning next school year should be paid out on the last check date in June of each year using multiple payroll runs. This is preferred instead of one check for a larger amount, which would have tax withholdings at a higher rate. **This is our normal business process, as teachers will have already worked all the hours to satisfy their contract.** For example: Teacher Jane Doe is not returning next year - for the June 18th payroll:

- Process payroll as usual, including regular check amount for Jane Doe for check date 06/18.

- Process a second payroll file and include four (4) checks to cover the 07/02, 07/16, 07/30 and 08/13 check dates.
 - Block recurring medical and life insurance premiums.
 - Garnishments, 403(b) contributions should continue to be withheld per check.
 - Add a memo note to list the dates of the checks being paid out. The reason for paying out non-renewing contracted teachers on the last check date in June is to include their full salary in the pension reporting. Compensation reported after June 30 is included in the following pension year and will not be eligible for pension because there will be no hours worked. Because the contract ends June 30, they should be paid out by June 30.

TRANSFERRING CONTRACTED TEACHERS:

Teachers who are transferring to another archdiocesan school should be paid out on the last check date in June using the same method listed above with the exception of medical and life insurance premiums. For example: Teacher Jane Doe is transferring to another school - for the June 18th payroll:

- Process payroll as usual, including regular check amount for Jane Doe for check date 06/18.
- Process a second payroll file and include four (4) checks to cover the 07/02, 07/16, 07/30 and 08/13 check dates.
 - Do not block recurring earnings or deductions for medical or life insurance premiums.
 - Garnishments, 403(b) contributions should continue to be withheld per check.
 - Add a memo note to list the dates of the checks being paid out.
- Forward any medical and life insurance premiums to the new school they are transferring to via an accounts payable check. **The new school is responsible for the employee and will be invoiced for medical premiums beginning July 1.**

Most, if not all, teachers will have satisfied their hours worked per their contract by the date of the last check date in June, and therefore can receive their checks at that time. If there is another policy for your school, please let us know.