



# Memo

**Date:** May 25, 2020  
**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 and teachers have already worked the hours so this process should remain the same.** For example: Teacher Jane Doe is not returning next year, for the June 19 payroll:

- Process payroll as usual, including regular check amount for Jane Doe.

- Process another payroll with check date 06/19 **for Jane Doe only** in lieu of scheduled check date 07/03, adjusting the pay period accordingly.
  - \*Block recurring deductions, unless there is a garnishment –court orders should continue to be withheld.
- Repeat last step for each check date 07/17, 07/31, 08/14.

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 multiple payroll runs. For example: Teacher Jane Doe is transferring to another school, for the June 19 payroll:

- Process payroll as usual, including regular check amount for Jane Doe.
- Process another payroll with check date 06/19 **for Jane Doe only** in lieu of scheduled check date 07/03, adjusting the pay period accordingly.
- Repeat last step for each check date 07/17, 07/31, 08/14.
- 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.**

### **PAYROLL EXPENSE TRACKING**

There have been several questions regarding how to handle payroll in reference to the Paycheck Protection Program (PPP) loans. With recent options presented by the government regarding the Loan Forgiveness Application, locations may decide not to modify pay periods or check dates, but instead to choose to use the Alternative Payroll Covered Period option.

However, if your location does choose to use the split batch tracking method for payroll costs and wishes to modify payroll dates, the overall objective should be to have minimal alterations to the payroll schedule to avoid disruption to employees' compensation. A slight modification of pay periods for one or two check dates, or moving up one or two check dates, is preferred over changing multiple check dates or pay periods as this causes confusion and would not be common procedure.

Some parishes and schools are looking at both ways of tracking payroll expenses as there are other factors to consider as well (full-time equivalent employee counts, for example) to see which method is of greater benefit to them.

As instructed by the Office of Finance, please check with your finance council and principal for their direction on this matter.