

Early Contract Payoff Checklist (All Jobs)

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The purpose of this document is to guide you through the early contract payoff process. This process is used when an employee is not completing the total months (days) for all jobs (i.e., the employee has multiple jobs) that were originally set up on the Job Info tab, and the contract balances are being modified to reflect the correct amount owed based on the number of days earned. This is whether the employee is a pay type 1 or pay type 2. If the employee has multiple jobs but only one is being paid off early, refer to the Early Contract Payoff Checklist (One or More Jobs/Not All Jobs).

Example: The employee has a 10-month contract from September through May, but the employee is leaving at the end of February after working only 130 of the 187 contracted days. The contract balance must be modified to reflect the amount earned from the period of September through February. The calculation is performed whether paying off the employee at the end of February or by the next month (i.e., employee did not work past February).

Note: Payoff of TRS supplemental and extra duty account type S occurs with the primary job. If the employee has a business allowance, the **Amount** field needs to be modified to reflect the total amount the employee receives with payoff of the primary job if different than the amount currently in that field. The system does not use the **Remaining Pymts** field to calculate the total payoff on business allowances.



Some of the images and/or examples provided in this document are for informational purposes only and may not completely represent your LEA’s process.

❑	1. Payroll > Maintenance > Staff Job/Pay Data > Job Info and Payroll > Payroll Processing > Run Payroll Verify that the **Payoff Date** field on the Job Info tab for all pay type 1 and/or pay type 2 jobs is the same as the **Pay Date** field on the Run Payroll page for payroll calculations. **Note**: The dates must match in order for the contracts to be paid off correctly and accruals cleared. (The pay date should represent the one used for calculation of the payroll.)

❑ 2. Payroll > Maintenance > Staff Job/Pay Data > Job Info
Calculate the contract balance for all jobs on the Job Info tab as follows:

Job #1 primary job	(original contract was $40,800/12 = $3,400.00 Pay Rate) $3,400.00 x 6 (Monthly; September through February) = $20,400.00 (pay rate x number of pay dates already processed = total paid to date)
Job #2 non-primary job	(original contract was $12,000/12 = $1,000.00 Pay Rate) $1,000.00 x 6 (Monthly; September through February) = $6,000.00 (pay rate x number of pay dates already processed = total paid to date)

Job #1 - total paid to date = $20,400.00
Job #2 - total paid to date = $6,000.00
Grand Total Paid to Date = $26,400.00

❑ 3. Payroll > Maintenance > Staff Job/Pay Data > Job Info
Calculate the total earned to date for all jobs on the Job Info tab as follows:

Job #1 primary job	(original contract was $40,800/187 days = $218.18 Daily Rate) $218.18 x 130 (August through February) = $28,363.40 (daily rate x number of days actually worked = total earned to date)
Job #2 non-primary job	(original contract was $12,000/187 days = $64.17 Daily Rate) $64.17 x 130 (August through February) = $8,342.10 (daily rate x number of days actually worked = total earned to date)

Job #1 - total earned to date = $28,363.40
Job #2 - total earned to date = $8,342.10
Grand Total Earned to Date = $36,705.50

❑ 4. Payroll > Maintenance > Staff Job/Pay Data > Job Info
Calculate the amount owed for all jobs as follows:

Job #1 primary job	total earned to date = $28,363.40 total paid to date = $20,400.00 **Contract Balance (amount owed employee) = $7,963.40** (total earned to date - total paid to date = contract balance (amount owed employee))
Job #2 non-primary job	total earned to date = $8,342.10 total paid to date = $6,000.00 **Contract Balance (amount owed employee) = $2,342.10** (total earned to date - total paid to date = contract balance (amount owed employee))

❑ 5. Payroll > Maintenance > Staff Job/Pay Data > Job Info
If necessary, change the **Remaining Pymts** field for the Primary Job. Withholding taxes are calculated on the withholding gross, which is based on the contract balance divided by the remaining payments. If the **Remaining Pymts** field contains a 1, taxes are calculated on the total contract balance (withholding gross).

Job #1 Contract Balance (Amount Owed Employee) = $7,963.40

Job #2 Contract Balance (Amount Owed Employee) = $2,342.10

Total Owed to Employee = $10,305.50

$10,305.50/$4,400.00 (Pay Rate for Job #1 + Job #2) = 2.342 or 2

Since only whole numbers are used, the remaining payments would be 2.

(contract balance/pay rate for all jobs = remaining payments)

Notes: For simplicity in demonstrating the calculation of withholding gross and withholding taxes, the above amounts do not include TRS supplemental, extra duty account type S, deductions with remaining payments of less than 99, or business allowances that are included in the payoff of the primary job.

It does not matter what the other jobs have as remaining payments as long as the **Payoff Date** field on the Job Info tab for each job matches the pay date.

❑ 6. Calculate the withholding gross and the withholding tax based on the number of remaining payments.

If the employee is claiming married/zero and the remaining payments are 2, the 2005 tax table guidelines that will be used are:	(If over $1,883.00, but not over $5,517.00, tax amount = $121.60 + 15% of the amount over $1,883.00.) $10,305.50/2 = $5,152.75 total withholding gross/remaining payments = adjusted withholding gross $5,152.75 – $1,883.00 = $3,269.75 x 15% = $490.46 + $121.60 = $612.06 x 2 remaining payments = $1,224.12 in withholding tax
If the employee is claiming married/zero and the remaining payment is 1, the 2005 tax table guidelines that will be used are:	(If over $10,063.00, but not over $15,800.00, then tax amount = $1,803.20 + 28% of the amount over $10,063.00.) $10,305.50 - $10,063.00 = $242.50 x 28% = $67.90 + $1,803.20 = $1,871.10 in withholding tax

❑	7. Payroll > Maintenance > Staff Job/Pay Data > Deductions Verify that the number of remaining deductions is correct. If at 99, the system takes only one deduction payment at payoff. Otherwise, enter the total number of remaining deduction payments to be taken at payoff. Verify that the **Emplr Contrib Factor** and **TEA Contrib Factor** fields represent the correct number of payments to be expensed at contract payoff.
❑	8. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify that the **TRS Supplement Amount** and **Remain Pymts** fields are correct. Remember, an employee does not receive the full balance remaining if he does not work the full school year.
❑	9. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify the **Extra Duty Pay Code Amount** and **Remain Pymts** fields are correct. If account type = S, ensure the **Remain Pymts** field represents the number of payments due to the employee at payoff. If the extra duty is account type G, be sure to take this into consideration when computing the contract balance.
❑	10. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify the **Business Allowance Amount** field to ensure it represents the total amount due to the employee at payoff. The system does not use the **Remaining Pymts** field when calculating payoff on business allowances.
❑	11. Review transmittals to ensure the employee does not have any transmittals for future pay dates. Delete all transmittals that exist for those pay dates after the payoff date
❑	12. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify that the EFT bank deposit information is correct.
❑	13. Perform a preliminary payroll calculation for the employee to verify the data prior to the actual payroll being processed.
❑	14. Make all necessary changes and rerun calculations until the payoff is correct.