

Early Contract Payoff Checklist (One or More Jobs/Not 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 one job (even if the employee has multiple jobs) that were originally set up on the Job Info tab, and the contract balance is being modified to reflect the correct amount owed based on the number of days earned for the job that is to be paid off early. This is whether the employee is a pay type 1 or pay type 2. If the employee has multiple jobs and all jobs are being paid off early, refer to the Early Contract Payoff Checklist (All Jobs).

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

Note: Payoff of TRS supplemental, extra duty account type S, and business allowances occur with the primary job. Therefore, if these payments are to continue after the payoff of job #1, change job #2 to be the primary job prior to processing payroll. The system does not use the **Remaining Pymts** field when calculating payoff for business allowances. Therefore, it is important that the **Amount** field contain the total to be paid off for the primary job.



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 the job(s) to be paid off. If multiple jobs are to be paid off (but not all jobs), calculate only the jobs that will be paid off. If the employee has multiple jobs and all jobs are being paid off early, refer to the Early Contract Payoff Checklist (All Jobs) Checklist. 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)

❑	3. Payroll > Maintenance > Staff Job/Pay Data > Job Info Calculate the total earned to date for the job(s) to be paid off. 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)
❑	4. Payroll > Maintenance > Staff Job/Pay Data > Job Info Calculate the amount owed for the job(s) to be paid off. Job #1 primary job (original contract was $40,800/187 days = $218.18) 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))
❑	5. Calculate the withholding gross and the withholding tax. Since not all jobs are being paid off, the remaining payments are not used to calculate the withholding gross. The remaining payments are used only when paying off all jobs. See the Early Contract Payoff Checklist (All Jobs). The employee is claiming married/zero and the tax table guidelines that will be used are: (If over $5,517.00, but not over $10,063.00, tax amount = $666.70 + 25% of the amount over $5,517.00.) Job #1 - contract payoff balance = $7,963.40 Job #2 - pay rate = $1,000.00 **Total Amount to Be Paid = $8,963.40 (Withholding Gross)** $8,963.40 - $5,517.00 = $3,446.40 x 25% = $861.60 + $666.70 = $1,528.30 in withholding tax

Note: For simplicity in demonstrating the calculation of withholding gross and withholding taxes, the above amounts do not include payments or deductions for 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.

❑	6. Payroll > Maintenance > Staff Job/Pay Data > Deductions Verify that the number of remaining deductions. Since Job #1 is the primary job, if the remaining payments are less than 99, the system takes that number of deduction payments. If deductions are to continue until Job #2 is paid off, enter 99 as remaining payments. Verify that the **Emplr Contrib Factor** and **TEA Contrib Factor** fields represent the correct number of payments to be expensed if the number of remaining payments is less than 99 for Job #1 (primary job).

❑	7. 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. Since Job #1 is the primary job, the TRS supplement amount is paid off. If payments are to continue after payoff of Job #1, change Job #2 to be the primary job prior to processing payroll.
❑	8. 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. Since Job #1 is the primary job, extra duty type S accounts are paid off. If payments are to continue after payoff of Job #1, change Job #2 to be the primary job. If the extra duty is account type G, be sure to take this into consideration when computing the contract balance.
❑	9. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify the **Business Allowance Amount** field on the Pay Info tab to ensure it represents the total amount due to the employee at payoff. Since Job #1 is the primary job, business allowances are paid off. If payments are to continue after payoff of Job #1, change Job #2 to be the primary job. **Note**: If changing the primary job, the distribution record for the business allowance are changed from Job #1 to Job #2 before saving the change in the primary job; else an error message is displayed.
❑	10. 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. If this is not done for the job that is paid off, warning messages are displayed when payroll is processed for those pay dates.
❑	11. Payroll > Maintenance > Staff Job/Pay Data > Pay Info Verify that the EFT bank deposit information is correct.
❑	12. Perform a preliminary payroll calculation for the employee to verify the data prior to the actual payroll being processed. Make all necessary changes and re-run calculations until the payoff is correct.


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