CONTRACT PAYOFF PROCEDURE FOR AN EARLY PAYOFF

***Verify the following fields on the Staff Job/Pay Data tabs:***

EMPLOYMENT INFO TAB

* **Termination Date:** Enter the termination date for this employee. Termination reason is optional. Also enter the **Retirement Date** if the employee is retiring.

PAY INFO TAB

* **Extra Duty Pay (B, S and T types only):** Verify the number of remaining payments, if applicable.
* **Bank Information:** Verify the EFT information. If the payoff is to be issued in the form of a check, delete the bank information or, if this check is generated in a pay run separate from your regular payroll, change the Payment Method to Checks Issue on the Payroll Run tab.

JOB INFO TAB

**NOTE:** If the option to automatically calculate rates for this screen has been selected (i.e. pay rate, daily rate, etc), you will need to turn them off temporarily. Go to Tables/District HR Options and deselect any of the selected items in the “Automatically Compute” box. If these fields are being automatically calculated, you will not have access to them unless the auto compute flags are turned off.

* **Contract Info / Payoff Date:** Enter the payoff date for this employee. Verify that the payoff date matches the pay date on the Pay Dates Table that will be used to issue the final pay check. This date should also match the pay date in the accrual calendar, if applicable.
* **Calendar Info / End Date:** Enter the correct contract end date for this employee. This date will print on the service record when extracted at the end of the school year. This field also affects the Days Worked reported on the TRS RP10 report.
* **Calendar Info / # of Days Empld:** Enter the actual number of days employed for this school year. If the employee is assigned to a workday calendar, click on the ‘# of Days Empld:’ link for the number of days employed to calculate. The number of days employed will print on the service record when extracted at the end of the school year.
* **Contract Info / Total:** Enter the total amount of the employee’s contract for the year. This would be the actual or adjusted annual contract that the employee was paid. (This is optional. If you change the amount, you will also need to change the amounts on the Distribution tab for the employee.)
* **Contract Info / Balance:** Enter the remaining amount of the employee’s contract (the payoff amount) that is to be paid on the final pay check.
* **Contract Info / Remaining payments:** Verify that the number of remaining payments is correct. For example, if the payoff amount is equivalent to the standard gross of two regular pay periods, show 2 in the remaining payments field in order to calculate income tax and the State Min 373 amount correctly.
* **State Info / State Min Salary:** Adjust annual state min salary for the number of days the employee worked.

**NOTE:** Do not change or delete the accrual rate, accrual code or the workers comp payments during a contract payoff.

DISTRIBUTIONS TAB

* **Amount:** This amount needs to match the contract total from the Job Info tab. Also, verify that the percent equals 100.

DEDUCTIONS TAB

* Verify the **Net Amount** and **Remaining Payments** for each voluntary deduction. If the number of remaining payments is 99 or 1, the system will deduct only one deduction; otherwise, it takes the number of remaining payments times the net amount.
* If multiple Employer Contributions need to be expensed, type the number of times the district’s contribution should be applied in the **Emplr Contrib Factor** field.

**NOTE:** It may be necessary to take multiple deductions for an employee who is being paid off early or who will not receive summer paychecks. Multiple deductions for the employee and/or employer paid contributions may be taken on the employee’s last pay check or taken over several pay checks. These multiple deductions would then be submitted to the vendors in a timely manner on the regular monthly billing statements. Using this procedure eliminates the need to collect personal checks from employees during the summer months for their insurance premiums. The Additional Deduction tab under Hours/Pay Transmittals can be used to enter multiple deductions for both the employee and employer contributions.

LEAVE BALANCE TAB

* If all leave earned is posted at the beginning of the school year instead of incrementing monthly, it may be necessary to adjust the Earned column to reflect only leave that was earned with your district for the number of days worked during the school year. State leave detail is displayed on service records.

ADDITIONAL INFORMATION:

Once the Staff Job/Pay Data screen has been updated, print the Contract Balance Variance Report to assist in verifying your totals (*Reports/HR Reports/Payroll Information Reports/Contract Balance Variance Report).* If the remaining payments were set to two to calculate income tax correctly, this employee will appear on this report as being out of balance. This is acceptable as long as you have verified the payoff amount and know the reason for the out of balance occurrence.

Verify that the Maximum Gross Amount for District field on the District HR Options table is greater than the employee’s payoff amount.

If you utilize the “Automatically Compute” fields on the District HR Options table and you turned them off temporarily, remember to select these items to turn them back on.

In a contract payoff, the system pays the contract balance, inactivates the employee, takes the remaining number of deductions, and reverses accrual balances.

Consider re-classifying posted leave days used if the leave earned for the year is changed due to the number of days worked for the year. State leave detail is displayed on the employee’s service record.