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WORTH KNOWING

Summer Pay—It's Not So Simple!

A teacher's annual salary is based on years of experience (found in the collective agreement) and years of education (as determined by Teacher Qualifications Service). Teachers are paid according to the *Education Act*, which states that teachers are paid 1/200 of their annual salary for each day they work (with a few variations). Teachers are *not* paid for vacation periods such as Christmas, spring break, Thanksgiving, over the summer or any other holiday period. School division calendars determine which days teachers are expected to work. These are the days for which teachers are paid.

Since funds are allocated to school divisions over 12 months, paying teachers 1/12 of the annual salary each month from September to August is easier for everyone, including school divisions, to budget. This means that each month some earnings are *saved* to be paid in July and August. This formula does not work for teachers who work less than a full year or who are not on a continuous contract. These teachers must use a different formula to calculate their pay.

The payment of salaries is addressed in Section 220 of the *Education Act*.

If a teacher's contract is temporary or probationary, or if the teacher resigns on June 30, the summer payout must be paid within seven days of the termination date of the contract. Regardless of the type of contract, teachers who work less than a full school year will have a reduced amount of pay for July and August. At the end of June or the end of the teacher's contract, the division will perform a final salary reconciliation to determine the summer payout. A rough guide is that one semester, or half a year, of work equals one month of summer pay. This includes paid leave, such as sick days, personal leave days and *division-paid* maternity leave.

For teachers who are under a contract of employment for a period *that includes all the teaching days of a school year* but that do not teach on all those teaching days, teachers will be paid their full annual salary less 0.5 per cent (1/200) of the salary for each teaching day on which they do not teach. This applies if the teacher has worked *more than 100 days* in the school year. This calculation ensures that teachers are not disadvantaged if the school year is less than 200 days.

For example, if the school year is 197 days and a teacher takes an unpaid leave for 4 days, their pay calculation would be as follows:

\$75,000 − (\$75,000 × 1/200 × 4 days) = \$73,500

A teacher who is under a contract of employment for a period *that does not include all the teaching days of the school year, or is under a contract of employment that includes all the teaching days of a school year, but who during that year teaches on fewer than 100 teaching days*, shall be paid 0.5 per cent (1/200) of the teacher's annual salary for each day on which the teacher teaches.

For example, Chris was hired to work from February 5 to June 26. During that time, there were 94 days worked. Chris used 3 days of sick leave but had enough banked sick leave to be paid for the 94 days.

Annual salary × 1/200 × number of days worked = earned income

\$75,000 × 1/200 × 94 = \$35,250

From February to June, Chris was paid 1/12 per month:

(\$75,000/12) × 5 months = \$31,250 (paid to date)

Chris's summer payout will then be calculated as follows:

Earned income − paid to date = summer payout

Therefore, Chris will receive \$35,250 − \$31,250 = \$4,000 as the reconciled payout for the summer.

Important Reminders

Teachers are advised to check their pay information every month. At the beginning of each school year, confirm that education and experience are accurate and that annual salary is correct (check the collective agreement). Review the deductions and ensure they are correct.

Every subsequent month, review any changes to net pay. Do not forget that there will be an increase in net pay in the latter half of the calendar year as teachers reach maximum annual deductions for the Canada Pension Plan (CPP) and Employment Insurance (EI). This also means that teachers will see a reduction in pay in January as CPP and EI are deducted from salary again.

WORTH SHARING

Check your pay statement every month to ensure that your salary and deductions are correct. Pay is not simple and it is individual to each teacher. Review it! **#WEAREATA**