Faculty Retirement Pay Analysis Explanation

Faculty salaries are based off a nine month working schedule, September through May, but are distributed over a twelve month period, July through June for the convenience of our employees.

If an employee retires before the completion of any academic year, and because the July and August salary received was based off the assumption that the academic year will be completed, a pay analysis will be calculated and an adjustment will be made to the remaining pays up to the retirement date to ensure that there is no overpayment for that academic year.

Included is an example of a pay analysis using a retirement date of December 31st that shows how this will impact the FTE and salary calculations for a retiring employee not completing the academic year, but begins receiving salary as scheduled in July.

As previously stated, Faculty salaries are based off a nine month work schedule (1 FTE), in this example the employee is retiring December 31st working four out of the nine months at a base salary of $50,000.

Due to the retirement date, the employees' FTE and salary are recalculated to reflect the work schedule and the FTE is reduced from 1 to .4444 (this will vary depending on the actual date of retirement).

The employees' salary, based on the new FTE of .4444 or $22,220, will be spread July through December and paid over six months although this employee is working a total of four.