Payoff Calculations

A payoff calculation is very much the same as the annual calculation. The only thing that is different is we need to know how many days they **actually** worked, how much of the extra days or flat rate stipend they will earn and how much they've been paid.

The calculation is the same whether the employee is terminating their employment or going on an unpaid leave of absence.

Example

Betty only worked 100 of the 187 days ($200 daily rate).

She will earn all 10 of the extra days but only ½ of the flat rate stipend of $3000.

She has been paid $17,666.65 of salary.

• Daily Rate = $200

• Adjusted Annual Contract = $22,000 = daily rate x # days

• Adjusted Stipend = $1,500 ($3000 + 2)

• Contract Balance = $5,833.35 = (adjusted annual contract + Adjusted Stipend) – salary paid

Leave

Leave earned and used can also play a part in the payoff calculation. We have to determine if the employee should be docked on her last pay check for any used but unearned leave.

Example We just found that Betty has used 5 of her 5 state days. Since she has only worked 100 days, she has only earned 3 of those days.

• Daily Rate = $200

• # of Days Dock = 2

• Dock = $400 = $200 * 2

• Adjusted Annual Contract = $23,100 = daily rate x # days + stipend– unearned days used ($200x110+1500-(2x$200))

o **Contract Balance = $5,433.35 = adjusted annual contract – salary paid ($23,100 - $17,666.65)**