"9 over 12" is a nine-month appointment paid out over 12 months. The first day of the appointment is the actual date the employee starts work. Payment begins the first pay period of the fiscal payroll year. Early terminations will always result in an overpayment or underpayment for the “9 over 12” since appointment dates and pay dates do not coincide.

Note: This job aid does NOT apply to Severance Agreement Terminations.

Only specific types of employees are allowed to be paid over a 12-month period: Academic and Professional & Administrative staff.

Follow the steps outlined in this job aid when terminating a 9 over 12 employee.

**STEP 1: GETTING STARTED**

Make certain all termination paperwork is complete and gather the following information for performing manual calculations. See FAQ’s on Side E for additional information.

- Compensation Rate
- Base Rate (Annual Compensation)
- Number of payroll periods paid to the employee
- Termination Date
- Verify the contract is 9_12 for the employee.

**STEP 2: CALCULATE FINAL COMPENSATION**

To determine if an overpayment or underpayment exists, manual calculations must be performed prior to terminating the appointment. Departments must calculate the final compensation by using this formula: \( \text{Amount Paid} - \text{Amount Owed} = \text{Remainder owed to Employee or University} \)

Review the scenarios with example calculations. Scenarios are based on 27 pay dates for FY2021.
Appointment Entry: Terminating 9 Over 12 Employees (cont.)

Scenario #1
The faculty member’s appointment will terminate at the end of the 23rd pay period. According to both the employee’s offer letter and Job Data, the base rate for this employee is $42,500. Using the example calculations below, determine what the employee was actually paid against what is owed to the employee based on the actual dates of the appointment. Follow the formula to determine the underpayment or overpayment.

Example Calculations for Scenario #1 (Underpaid to Employee)

<table>
<thead>
<tr>
<th>Calculate Amount Paid</th>
<th>Calculate Amount Owed</th>
<th>Remainder Owed to Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 over 12 comp rate: $42,500/27 pp = $1,575.07</td>
<td>9 over 9 comp rate: $42,500/19.5* pp = $2,179.49</td>
<td></td>
</tr>
<tr>
<td>For 23 pay periods (pp); $1,575.07 x 23 pp = $36,203.70 was paid</td>
<td>For 17.5 pay periods (pp); $2,179.49 x 17.5 pp = $38,141.07 should have been paid</td>
<td></td>
</tr>
<tr>
<td>$36,203.70 (PAID)</td>
<td>$38,141.07 (SHOULD HAVE BEEN PAID)</td>
<td>$1,937.37 (UNDERPAID)</td>
</tr>
</tbody>
</table>

*9-month appointments have 19.5 payroll periods.

Scenario #2
The faculty member’s appointment will terminate at the end of the 11th pay period. According to both the employee’s offer letter and Job Data, the base rate for this employee is $35,000. Using the example calculations below, determine what the employee was actually paid against what is owed to the employee based on the actual dates of the appointment. Follow the formula to determine the underpayment or overpayment.

Example Calculations for Scenario #2 (Overpaid to Employee)

<table>
<thead>
<tr>
<th>Calculate Amount Paid</th>
<th>Calculate Amount Owed</th>
<th>Remainder Owed to University</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 over 12 comp rate: $35,000/27 pp = $1,296.30</td>
<td>9 over 9 comp rate: $35,000/19.5* pp = $1,794.87</td>
<td></td>
</tr>
<tr>
<td>For 11 pay periods (pp); $1,296.30 x 11 pp = $14,259.26 was paid</td>
<td>For 5.5 pay periods (pp); $1,794.87 x 5.5 pp = $9,871.78 should have been paid</td>
<td></td>
</tr>
<tr>
<td>$14,259.26 (PAID)</td>
<td>$9,871.78 (SHOULD HAVE BEEN PAID)</td>
<td>$4,387.48 (OVERPAID)</td>
</tr>
</tbody>
</table>

*9-month appointments have 19.5 payroll periods.

STEP 3: VALIDATE AMOUNT PAID

Navigate to: myu.umn.edu > Key Links > Reporting Center > Human Resources > Payroll & Time > YTD Employee Distributions Report

- Run a year-to-date salary distribution report to validate the amount paid to the employee. The calculated amount paid and the actual amount paid should match.
Appointment Entry: Terminating 9 Over 12 Employees (cont.)

STEP 4: IN HRMS: JOB DATA

Navigate to: Main Menu > Workforce Administration > Job Information > Job Data

- Update the following fields in Job Data:
  a. Effective Date: Defaults to today’s date. The effective date for the termination will be the first day that the Action/Reason will apply. In the case of a termination, the effective date is the day AFTER the last day worked or the first day of the termination.
  b. Action: Select the applicable action for the termination.
  c. Reason: Select the applicable reason for the termination.

STEP 5: UPDATE CONTRACTS

Contracts do not require updates unless the employee was terminated prior to the academic year end date. If that is the case then follow these steps to update the existing contract.

Navigate to: Main Menu > Workforce Administration > Job Information > Contract Administration > Update Contract Pay NA

1. Search for the EmplID of the employee.
2. Select the highest Contract ID number from the search results (this should be the most recent contract).
3. Verify the contract dates are for the current academic year.
4. Click the “+” to insert a row.
5. Enter the Effective Date (use the termination date of employment).
6. Enter the Termination Date (use the termination date of employment).
8. Click <Save>.

STEP 6: PROCESS UNDERPAYMENT OR OVERPAYMENT FORMS

If the final calculation indicates an overpayment or underpayment, follow the applicable steps below.

1. **Underpayment**: If the employee has been underpaid, use your calculations and follow the procedures for updating payroll. Fill out the Payroll Update Request form. The amount owed to the employee will be captured on the form and will pay out the final compensation amount owed to the employee. The form should be submitted during the final payroll for the employee.

2. **Overpayment**: If the employee has been overpaid, use your calculations and follow the procedures for updating payroll. Termination of funds should be immediate. Notify payroll of the overpayment by filling out the Overpayment Notification form. Written notice of the overpayment should be given to the employee and should be included when sending the overpayment notification form to payroll. Send to payforms@umn.edu. Note: A consent form is only required if the repayments are going to be deducted from an employee's future checks. If there are no future checks to deduct from, a consent form is not required. If there are no checks to deduct repayments from, Payroll Services will contact the employee on the amount to repay and where to send the funds. Employees must repay by personal check.
FAQ’S

♦ What is a comp rate?
A compensation rate, or comp rate, is the per payroll period amount an employee earns.

♦ How do we calculate the 9 over 12 compensation rate for an employee?
During a 12-month pay cycle an employee will be paid on 27 payroll periods. Take the annual base rate for the employee and divide by 27 payroll periods.

♦ How do we calculate the 9 over 9 compensation rate for an employee?
During a 9-month pay cycle an employee will be paid on 19.5 payroll periods. Take the annual base rate for the employee and divide by 19.5 payroll periods (e.g., $42,500 salary/19.5 pay periods = $2,179.49 comp rate).

♦ What does the abbreviation “PP” mean?
Payroll period.

♦ What if the employee terminates mid payroll cycle?
The calculated compensation rate, or comp rate, will need to be broken out into a daily compensation rate to determine what is owed (e.g., $1,634.62 comp rate is for two weeks (10 days of pay); $1,634.62/10 days = $163.46 a day).

♦ What if an employee terminates at the end of an academic year?
They would only be paid 26 pay periods out of 27 pay periods for the year. This would result in an underpayment. Follow the calculations on Side B for underpayments.

♦ How do I know if the appointment is a 9_12 appointment?
Job Data would reflect the following responses in these fields: a) Regular = R, b) Full Time or Part Time = FT or PT, c) Job Code = 9XXX, d) Pay Group = P09, e) Comp Freq = B. Contract Pages would reflect the following contract type: 9_12.

♦ What is the effective termination date for an academic employee who gives notice they will only work through the academic year (e.g., May)?
The effective date of the termination is the last day of the academic year, not the date they “gave notice.”