

Compensation Proration

There are two types of proration in Workday. Some compensation plans will prorate on the Full-Time Equivalent (FTE) for the position. Compensation can prorate based on days worked in a period. Typically, this occurs when an employee works a partial month or has unpaid time off. These two proration methods are explained below and include methods to calculate how allowances prorate for partial months.

Proration by FTE

Compensation plans that prorate by FTE will use the FTE percentage for proration of the compensation rate for the position. Proration is indicated when looking at an employee's compensation plan. The prorated compensation rate will appear in parentheses. For example, a 50% FTE employee with an annual salary rate of \$100,000, the rate will appear as:

100,000.00 USD Annual (Prorated: 50,000.00)

Note that it is the rate that is being prorated. This applies to all salary plans (except the No-Pay Salary Plan). This excludes all allowance plans (except Longevity and Hazardous Duty which do prorate by FTE.)

Proration by Days Worked

This type of proration is done when payroll runs and is not readily visible when looking at the employee's compensation plans. This will occur for applicable salary plans and most allowance plans based on the earning associated with the specific compensation plan. For partial months, plans with a monthly or annual rate will prorate based on the ratio of days worked to work days in a month. For example, if a month has 30 calendar days but only 22 work days. If an employee worked 11 of the 22 days they could expect proration to half for that month.

An exception for this proration by days worked is for 9-month faculty, extension instructors, TAs, and AIs. The begin and end dates for these jobs are tied to the academic calendar. For partial months that fall on semester breaks, these will prorate at 50% regardless of the days worked that month. So for these jobs that end on January 15 or July 15, or begin on January 16

or July 16, proration will be 50%. This special proration is also reflected in the Job Costing Tool.

Some allowance plans do not prorate by days worked most notably Communication Device Allowance and Longevity Pay.

Calculating Prorated Allowances

When calculating allowances on Workday, effective dates and end dates are important. Allowances calculate on a daily rate based on the working days in the month. Working Days are the total days M-F including holidays during a given month. Working Days may change year to year based on the day of the week the first of the month falls on

Listed below are the possible effects of proration on allowances workers may receive. Please keep in mind the monthly or annual rate of an allowance does not reflect the total amount received.

Allowance	Example of Prorated Allowance
Faculty Endowed/Non-Endowed Supplements are allowances with an <u>annual</u> rate and have a 9-month basis (academic pay enabled).	<ul style="list-style-type: none"> Allowance is set up effective 9/1/2018 with no end date \$12,000 annual rate (\$1000/month) If the worker terminates early in December, it will prorate based on the days worked in December Special Rule: If these allowances end on <u>January 15</u> or <u>July 15</u>, or begin on <u>January 16</u> or <u>July 16</u>, they will be paid for exactly half of the month (\$500) without regard to days worked proration.
Academic Administrator Supplement is an allowance with an <u>annual</u> rate and has a 12-month basis (not academic pay enabled). <i>Other allowances in this category are:</i>	<ul style="list-style-type: none"> Allowance is set up effective 9/1/2018 with no end date \$40,000/year results in \$3,333.33/monthly pay period If a position has an early end date, say 1/6/2019, the supplement for the month of January will prorate based on days worked

Allowance	Example of Prorated Allowance
<ul style="list-style-type: none"> - Permanent Supplement - Clinical Supplement - Clinical Administrative Supplement 	<ul style="list-style-type: none"> Assuming a standard work schedule, January 2019 has 23 work days, which means the supplement has a daily rate of \$144.93 The position ending on 1/6/2019 means the employee will be active for 4 work days and receive \$579.71 for the January pay period $(4/23) * 3333.33 = 579.7101$ Not subject to the <i>Special Rule</i>
Instructional Overload (Ongoing), Academic Activities (Ongoing), Option III Allowances have a monthly rate. Users only need to define how much they want to pay per month and know that it will prorate the monthly amount based on days worked within the month.	<ul style="list-style-type: none"> Allowance is set up effective 9/1/2018 - 1/15/2019 \$1000 monthly rate If the worker terminates early in December, it will prorate based on the days worked in December <i>Special Rule:</i> If these supplements end on <u>January 15</u> or <u>July 15</u>, or begin on <u>January 16</u> or <u>July 16</u>, they will be paid at exactly half of the monthly rate (\$500) and will not be subject to days worked proration.
Temporary Additional Duties (Monthly) is a monthly allowance but is not subject to special semester proration. Other allowances in this category are: <ul style="list-style-type: none"> - Academic Activities (Ongoing) - Instructional Overload (Ongoing) - Option III 	<ul style="list-style-type: none"> Allowance is set up effective 6/1/2019 - 7/15/2019 \$1500 monthly rate Assuming a standard work schedule, July 2019 has 23 work days There are 11 work days during the July 1-15 period The amount paid for July will be \$717.39 $(11/23) * 1500 = 717.3913$

Allowance	Example of Prorated Allowance
<ul style="list-style-type: none"> - Credential Pay - Temporary Supplement 	

Viewing Allowance Plans

To view the details of an allowance plan use the report *Allowance Plan* and select the plan from the drop down. This report provides a brief description and will indicate the frequency (annual, monthly). You can see if the plan is academic pay enabled as that phrase will appear in the field *Compensation Element*. And the report will indicate if the plan will prorate by FTE. (The report will not indicate proration by days worked or the special proration.)