

# Annualized Pay



## What is it?

Annualized salary is the estimated salary for a school year based on the positions hourly or daily rate of pay.

## Who is paid in this manner?

All employees are subject to annualized pay.

## Why do we use the annualized salary method to pay employees?

Most employees do not work for 12 months of the year, but they do want a paycheck for 12 months. Using this method provides an opportunity for staff to receive a pre-set amount of gross pay per month.

## Am I guaranteed to receive all of the annualized salary?

- Yes, if you work all your required days and hours.
- No, if you are absent from work without paid leave available, you will be docked the appropriate amount.
- No, if you leave the ISD and don't work all your expected time, you will be paid only for the actual days worked or had paid days to take off.

## Examples

The process to calculate the annualized salary for an employee is as follows:

- Determine the appropriate scale
- Determine the appropriate pay grade
- Determine the years of experience
- Determine the daily rate or the hourly rate times the hours per day
- Multiply the daily rate of pay by the number of working days per year
- This result is the annualized pay
- Divide the annualized salary by the number of paychecks (generally 12)
- This result is the monthly gross salary

## References

US Department of Labor

<https://www.dol.gov/whd/state/state.htm>

Texas Labor Code

<https://statutes.capitol.texas.gov/SOTWDOcs/LA/htm/LA.61.htm>