

## **Explanation of Annual and Biweekly Salary Computation**

### **Why doesn't the employee's bi-weekly salary multiplied by 26 weeks equal their annual salary?**

The State employee's salary is budgeted as an annual amount within a fiscal year. The annual salary is for 365 days and paid on a bi-weekly basis. The bi-weekly pay consists of 14 days. To arrive at a **correct bi-weekly salary rate** you must **divide the annual salary** by the fraction **26.071428** in a non leap year.

Example:

### **Payroll Calculation**

Annual Salary            \$36,000.00 = \$1,380.82 Biweekly Pay  
Adjusted Pay Periods 26.071428

In case of a leap year there is an additional day (366 days in a year) so the pay period factor to be used is 26.142857 giving a further reduced biweekly rate.

### **Why is the published Annual Salary Rate different than what is actually earned in a calendar year?**

The certified annual salary is based on fiscal year. So if you calculate the salary received from July 1, 2003 to June 30, 2004 you will arrive at the certified annual salary. Please see the following example:

Grade 10 step 18 annual salary \$39,002.00 Bi-weekly \$1,491.88

July 1, 2003 crossover pay period ends 7/8/03:  
8/14 of \$1,491.88 = 852.50 (7/1/2003 - 7/8/03 = 8 days pay)  
25 X \$1,491.88 = 37,297.00 (7/9/2003 - 6/22/2004 = 25 bi-weekly pays)  
8/14ths of \$1,491.88 = 852.50 (6/23/2004 - 6/30/2004 = 8 days pay)  
Total Salary \$39,002.00