

## Tax Deductions on Retro Pay

For all retroactive payments, MPS must comply with federal income tax withholding rules. IRS considers retro pay as "supplemental income." By law, MPS must withhold 25% - even if retro were paid on a separate check.

MPS will uniformly deduct 39.55% from the retro payments:

- ◆ 25% for federal income tax.
- ◆ 6.9% for state income tax.
- ◆ 7.65% for Social Security and Medicare.

## 60% Take-Home

As a result of deductions, your take-home pay will be about 60% of your gross retro payment - 60¢ for each dollar.

## New Master's Degree Opportunity at MTEC

The Milwaukee Teacher Education Center (MTEC) has partnered with Mount Mary College to offer an **accredited** master's degree in urban education program. This is a hands-on, school-based program designed for classroom teachers. With AmeriCorps funding and forgivable loans, it's one of the most affordable master's degree programs in the area.

Classes will start the week of January 21, 2008. For details and registration materials, go to [www.mteconline.org](http://www.mteconline.org) or call Dr. Martin Haberman, 227-2527, or Mary Henry 227-2531, at the MTEC office.

## Checking Your Retro Payment

Your November 30 paycheck should include a retroactive payment for the 2.5% raise for 2007-08. The raise applies to all teacher contract salary rates and schedules, effective July 1, 2007. (The new rates were implemented on the November 16 paycheck.)

**To check your retro pay amount, you will need two paychecks:\***

**November 2, 2007** - This is the last paycheck you were paid at the 2006-07 salary rates - prior to the 2.5% raise being implemented on the November 16 paycheck.

**June 29, 2007** - For most teachers,\* this was the last paycheck covering workdays prior to the July 1, 2007 effective date of the raise.

## Checking Involves Two Math Steps

To estimate the retro amount, most teachers\* can take the gross year-to-date earnings amount on their November 2 paycheck and subtract the year-to-date earnings on their June 29 paycheck,\* and multiply the difference by .025.

**Here's an example and space to do your math:**

	Example	Your Amounts
November 2, 2007 Year-to-Date Earnings	\$39,349.69	
June 29, 2007* Year-to-Date Earnings	- \$28,604.82	- _____
Difference (earnings amount subject to retro pay)	\$10,744.87	
Multiply by 2.5%	$\begin{array}{r} \$10,744.87 \\ \times .025 \\ \hline \$268.62 \end{array}$	$\times \underline{\hspace{2cm}.025}$

\*Please go to the article at the top left on the back for an explanation.

## Retro Applies Only to Teacher Contract Earnings

All salary schedules and rates under the teacher contract were increased by 2.5%, retroactively to July 1, 2007. This includes all salary and rate schedules - including school social workers, nurses, traveling music teachers, TEAM mentors, etc. It also includes extra work covered by the teacher contract: lunch duty, class coverage, coaching, Schedule E, summer school, Saturday music lessons, etc.

Some teachers also work for the MPS Recreation Department. This is one example of earnings that are included in year-to-date earnings which are **not** subject to the 2.5% retro raise. Such earnings must be subtracted from your YTD amounts to calculate your retro pay amount.



**\*Two Paychecks Needed to Check Your Retro Pay**

For retro calculations, **all** teachers should use the November 2, 2007 paycheck statement.

Most 191-day teachers should use their June 29, 2007 paycheck for the calculations outlined on page one. This also includes other "teachers" on calendars which are based on the traditional school year calendar. For example, nurses, school social workers, and mentor teachers.

However, there are exceptions:

◆ If you are on the traditional school year calendar but worked extra days during the last two weeks of June, you must use your July 13, 2007 paycheck.

◆ If you are on the year-round school year calendar and paycheck schedule, your last workday prior to July 1, 2007 was probably June 26, and it was paid on your July 27, 2007 paycheck. You need to use the year-to-date earnings from your July 27 paycheck to calculate your retro pay amount.

◆ Teachers in the IB senior high programs start and finish the school year early. Their last workday in 2006-07 was May 31, 2007. Their last regular paycheck for 2006-07 was June 15, 2007. Unless they worked extra days during the month of June, IB teachers should use the June 15, 2007 paycheck for their retro calculations.

**Grievance Payment on the December 14 Paycheck**

The MTEA grievance over the district's failure to provide mentor support to special education teachers in most restrictive placement (MRP) classes for 2006-07 was resolved when the new contract was settled. We reported the details in the October 10 Negotiations News, which is on our Web site at [mtea.org](http://mtea.org).

The grievance disposition states: "The Board will provide a lump sum (non-base building) of \$760,000 to be equally divided among all teachers on the payroll as of the date of ratification of the 2007-09 contract." There were 5,906 teachers on the payroll when the School Board ratified the contract on October 30.

As a result, each teacher on the payroll on October 20, 2007 should receive **\$128.68** on the December 14 paycheck. This amount will be noted separately on your paycheck.

Grievance settlement payments are considered supplemental income by IRS; so the 25% uniform federal tax withholding rate will apply. The take-home amount will be \$77.79 for most teachers.

**Many Teacher Positions Will Be Added for Second Semester**

A yet-to-be-determined number of additional teaching positions are slated for the start of the second semester. The vast majority will serve senior high school students.

There are three groups of additional positions.

- ◆ Reading teachers, including several at senior high schools.
- ◆ Math teacher leaders.
- ◆ Many additional *equivalent* positions - allocated to serve students in grades 9-12 based on the number of students at each senior high school.

**Background on the Equivalent Positions**

The School Board earmarked \$7.9 million in the 2007-08 MPS budget for additional teachers at the senior high level. The district's priorities are class size reduction - and additional art, music, physical education, and foreign language teachers. Schools may also use a portion of the teacher equivalency allocation for expansion of their athletic programs.

Senior high principals have been directed to identify the content areas for the school's allotment of these positions along with other proposed uses of this allocation by December 5.

**Staffing Implications - MOUs Being Developed**

It has been decades since MPS has added a large number of teacher positions at mid-year. Representatives of our union and the MPS central administration have discussed how the new reading and math positions will be staffed. The parties recently reached agreement in concept. The MTEA's teacher staffing specialist, Don Ernest, is drafting a memorandum of understanding (MOU) that will reflect the parties' verbal agreement.

The staffing process for the equivalent of 184 positions will be discussed after MPS determines the number of positions and subject areas at each senior high school. We expect to negotiate a separate MOU for these positions as well.

As available, updates will be provided at [mtea.org](http://mtea.org) and in Sharpener.