

THINKING ABOUT TAKING UNPAID LEAVE?

Here are a few things that you should know about how this leave could affect your future pay checks when you return to work.

WHAT IS ANNUALIZED PAY?

Many employees only work and earn money for part of the year. To make sure that you receive a consistent paycheck, your total annual pay is spread out evenly throughout the year – even during the months when you aren't working or earning money. This is called annualized pay.



LET'S SAY YOU ARE AN EMPLOYEE EARNING \$48,000 PER YEAR WHO DOESN'T WORK DURING JULY OR AUGUST. THIS IS HOW ANNUALIZED PAY WORKS FOR YOU.

	Earned	Paid	Saved
September	\$4800	\$4000	\$800
October	\$4800	\$4000	\$800
November	\$4800	\$4000	\$800
December	\$4800	\$4000	\$800
January	\$4800	\$4000	\$800
February	\$4800	\$4000	\$800
March	\$4800	\$4000	\$800
April	\$4800	\$4000	\$800
May	\$4800	\$4000	\$800
June	\$4800	\$4000	\$800

Your Piggy Bank



Paid out \$4000 in July

Month	Earned
July	\$0
August	\$0

Paid out \$4000 August

When you take unpaid leave, it affects the distribution of your earnings in four important ways!

	Earned	Paid	Saved
September	\$4800	\$4000	\$800
October	\$4800	\$4000	\$800
November	\$4800	\$4000	\$800
December	\$4800	\$4000	\$800
January	\$4800	\$8000	\$3200 paid out

Unpaid leave begins

February	\$0	\$0
March	\$0	\$0
April	\$0	\$0

Unpaid leave ends

May	\$4800	\$2400
June	\$4800	\$2400

#2 You earn no money during your unpaid leave and no money is set aside or paid.

#3 When you return, your earnings are spread out evenly for the rest of the school year, just like before.



#1 When you take unpaid leave, all of your saved earnings are paid out. Essentially, your piggy bank is emptied.

#4 There is one important difference: You don't have as much money to spread out so your paycheck will be lower than it was before. Good news, you will still receive a pay check each month!



Paid out \$2400 in July

July	\$0 earned
August	\$0 earned

Paid out \$2400 in August