Faculty at the university is primarily paid using contract pay. Graduate students associated with teaching may also be paid on a contract. Contract pay is a calculation of pay that defines a contract pay type and its payment periods. Before the start of the academic year, faculty members elect the contract type indicating they are to be paid salary over 9 months or 12 months.

**Before You Begin**

**Information You Will Need:**

- **Empl ID.**

- **Dates:** Effective Date, Contract Begin Date, Contract End Date, Payment Begin Date, Payment End Date.

- **Contract Pay Type:** What is the academic selection of the employee? Is the contract to be paid over 9 months (AY 9 pay 9) or over 12 months (AY 9 pay 12). For lecturers, is it Fall/Spring or Other Pd Contract (used for non-semester time frames). If a graduate student, will it be fall, spring, or Other Pd Contract to pay over 9 months (students should never be set up on the AY 9 pay 9 contract). Will the employee be paid 9 months of salary over 9 months, or over 12 months? If a graduate student, will the employee be paid on a fall, spring, or academic year (AY) contract?

- **Pay Group:** All professional employees paid on a contract must be in the MON paygroup. All students paid on a contract must be in the STM paygroup.

- If this is a reappointment with a funding change, you will need to know the SpeedType (Combination Code) of the fund supporting this position. **(Boulder campus:** If this is a reappointment with funding change, you should contact the HR Service Center at hrcs@colorado.edu.)

- Copies of the guides listed below, which contain detailed information about hiring and paying employees, regardless of whether they receive contract pay. The remainder of this guide provides information related to contract pay, but for the full list of steps, refer to the specific guide listed below.

  - **Hiring an Employee Step-by-Step Guide** – regardless of whether an employee is recruited through CU Careers, or whether the employee is paid on contract, you must create a Hire transaction in HCM. The Hire transaction is an ePAR Pay Action and applies to hiring a new employee. (Action: Hire; Reason: New Hire). This hiring guide also describes the process of rehiring a former employee who is any employee with a terminated record. The Rehire transaction is an ePAR Pay Action. (Action: Hire; Reason: Rehire).
Making a Pay Rate Change Step-by-Step Guide – describes the following changes related to all pay rate changes including contract pay. The transactions for the pay rate changes listed below are ePAR Pay Actions:

- Making a reappointment; that is, setting up a new contract for an employee with an existing active job record. (Action: Pay Rate Change; Reason: Reappointment)
- Changing pay for an existing contract. (Action: Pay Rate Change; Reason: Base Pay – Increase in Pay | Base Pay – Decrease in Pay)

**Boulder Campus:** If you are making a pay rate change for a graduate student, contact the [HR Service Center](mailto:hrservicecenter@yourorganization.com).

**Notes:**

- Ensure that you have selected one of the employee’s phone numbers and the home email as “Preferred” on Step 3 of the Hiring an Employee step-by-step guide (ePAR Hire-Personal Information).
- After a transaction has been approved, check that you have successfully set up the contract by going to the Update Contract Pay NA page (Main Menu> Workforce Administration> Job Information> Contract Administration> Update Contract Pay NA). Once there, make sure there is a new unique contract ID number.
- After the transaction has been approved and the new Job Data and Update Contract Pay NA are in the HCM system, the system creates the Contract Payment Details page through an overnight process. You should check the accuracy of the employee’s Contract Payment Details page because it shows the projected contract payment (Navigation: Main Menu> Payroll for North America> Employee Pay Data> Contract Payment Details). Understanding how to read the Contract Payment Details page is described later in this guide.

**Contract Related Transactions**

The following sections describe additional steps for those employees paid on contract. For the full list of steps in each transaction, refer to the guide listed in the previous section.

This guide describes the following topics:

- Setting up a New Contract on an Active Job Record (Reappointment)
- Reviewing Contract Payment Details

**Note:** If you are creating a contract for a new employee or a rehire, refer to *Hiring an Employee Step-by-Step Guide*.

**Setting Up a New Contract on an Active Job Record (Reappointment)**

Making a reappointment is a pay rate change where the following steps in the transaction are specific to contract pay: 2 (Action/Reason), 4 (Compensation), and 5 (Contract Parameters) as described in this section.

**Step 1: Employee Selection**

1. Enter the employee’s search criteria, and click **Search**.
2. Select the checkbox next to the employee record, and click **Next**.

**Note:** Multiple rows may exist for the same Job Record. Make sure you are selecting the most current row.
Step 2: Action/Reason

**Note:** If you are entering a transaction with an effective date that is past a future-dated rehire transaction, then enter the effective date before selecting the Action and Reason, otherwise the system generates an error.

![Action/Reason Selection]

1. From the **Action** list, select **Pay Rate Change**.
2. From the **Reason** list, select **Reappointment**.
3. Type or select an effective date.
4. Click **Next**.

Step 3: Job Information

1. Complete any changes to job information in the **New Value** column, and click **Next**.

Step 4: Compensation

In this step, you enter the new contract amount.

1. From **Comp Freq**, select **C** for Contract.
2. From the **Rate Code**, select **BASEC**.
Step 5: Contract Parameters

The system allows Contract Begin Date and Contract End Date to be different from Payment Begin Date and Payment End Date.

- **Contract Begin and End Dates**: These dates define the actual start and stop dates of the employee’s appointment.

- **Payment Begin and End Dates**: These dates define the start and stop dates of when the employee is paid.

  Example: Faculty report to work in mid-August for the start of the Fall/AY appointment, but payment can start September 1.

**Note**: The payment begin date must be equal to or after the contract begin date. If it is before the contract (employment) begin date, the system will prorate the contract worth minus the days between payment and employment. This also holds true for the end dates; the payment end date must be equal to or after the contract end date to prevent any proration of contract.

From the ePAR Contract page, you will select the contract parameters from the Contract Information section, shown below:

To select contract parameters:

1. **You must** start with entering the contract’s effective date to access the current Contract Pay Types. If the Contract Eff Date is entered after the selection of Contract Pay Type, the system will change the Contract Pay Type to Do not use–Inactive. In the **Contract Eff Date** box, enter the date on which the contract payment begins.

   **Note**: The Contract Eff Date **must** equal the Payment Begin Date.
2. From the **Contract Pay Type**, select the type and press **Tab**. The Payment Term field will populate automatically.

**Boulder Campus:** Select **Other Pd/X Months** as the Contract Pay Type for graduate students.

3. Notice that HCM provides the following defaults:
   - **Calculation Method** displays a default of **Actual**.
   - **Daily Hours** field displays a default of **8**.

4. Enter the **Contract Begin Date** and the **Contract End Date**. These are the dates of the appointment:

   ![Contract Information Table]

   - **Contract Pay Type:** AY Admin Pd9 Months
   - **Monthly Frequency:** M (Mon - Sat)
   - **Pay Period Hours:**
   - **Assign Hours To Flag:** Contract Earnings Only
   - **Contract Begin Date:** 08/14/2017
   - **Contract End Date:** 08/13/2018
   - **Payment Begin Date:** 08/14/2017
   - **Payment End Date:** 08/13/2018
   - **School Schedule:**
   - **Actual Start Date:** 05/16/2018
   - **Termination Date:** 05/16/2018

5. Enter the **Payment Begin Date** and the **Payment End Date**.

   **Note:** The system automatically provides a default to the Payment Begin Date based on the Contract Eff Date. The system will also provide a default Payment End Date that is 12 months from the Contract Begin Date if the Payment Term is Pay over X months. This **must** be changed for accuracy based on the type of contract selected.

   ![Contract Information Table]

   - **Contract Pay Type:** AY Admin Pd9 Months
   - **Monthly Frequency:** M (Mon - Sat)
   - **Pay Period Hours:**
   - **Assign Hours To Flag:** Contract Earnings Only
   - **Contract Begin Date:** 08/14/2017
   - **Contract End Date:** 09/13/2018
   - **Payment Begin Date:** 08/14/2017
   - **Payment End Date:** 09/13/2017
   - **Actual Start Date:** 05/16/2018
   - **Termination Date:** 05/16/2018

**Note:** The system will provide an Actual Start Date, which will match the Contract Begin Date. The system will also provide the Termination date which will match the Contract End Date.
6. Select the appropriate **School Schedule**.  
**Important:** The School Schedule is used only when creating 9 Pay 9, 9 Pay 12, and 10 Pay 10 contracts. For all other contract types it must remain blank.

**Boulder Campus:** If you are tracking contracts in a worksheet, you may want to update it because you can only work with one contract at a time.

**Step 6: Department Budget**  
Designate the funding information:

1. If funding is the same, continue to Step 7: Saving and Submitting, below.
2. If funding has changed, deselect the New Funding Same as Current Funding? box.
3. Select the **Pct** option and enter the contract funding information. You can add rows by clicking the plus button.

**Note:** By typing the Combination Code and pressing Tab, all fields except Distribution % and Funding End date will be populated automatically.

**Step 7: Saving and Submitting**

1. Click **Save**.
2. Click **OK**.
3. Click **Submit**.
Reviewing Contract Payment Details

You should review the contract details and make sure the contract information is correct.

Navigation: Main Menu> Payroll for North America> Employee Pay Data> Contract Payment Details.

What to Look For:

- At the top of the page, notice the Contract ID number, the contract status (Active), and whether the contract is waiting to be recalculated. When a change is made to a contract amount or parameters, Recalculate Contract displays Yes.

- If a contract has had a change, the row under Contract Payment Sequence displays a new sequence number and the effective date of the change.

- The Contract Information section displays the type of contract, parameters of the contract and the contract worth.

- The Projected Earnings tab displays what has been paid in a confirmed payroll and what is projected to be paid over the term of the contract.

- The Actual Earnings tab displays what has been paid and will also show any off-cycle pay amounts that have been paid and not yet reflected for the next payroll to be confirmed.