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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: 8-131587

DATE: December 21, 1977

MATTER OF: Canal Zone Government - Effect of consolidation
of school systems on payroll plan

DIGEST: Teachers being transferred from Latin American
Schools to American Schools in Canal Zone object
to reduction of earnings for calendar year 1977
resulting from forced additional period of vacation
without pay caused by the consolidation of two
systems, and request that they be paid during
this additional vacation period the same as if
consolidation had not taken place. However, this
proposal may not be instituted since it would
result in teachers receiving 16 months of pay
during a 12 month period which would be in
contravention of 5 U.S.C. 5536.

The Governor, Canal Zone Government, requests our views as
to the propriety of paying additional compensation for the period
June 5 - August 24, 1977, for teachers of the United States schools
in the Canal Zone who were faculty members of the Canal Zone's
Latin American schools prior to the consolidation of the two school
systems.

In his submission of the matter the Governor points out that
teachers in the Canal Zone are paid their annual salary over a
9-month period, which normally coincides with the regular school
year. This results in teachers not receiving salary payments
during their 3-month vacation period although they remain on the
employment rolls. The effect of this payroll plan is to include
compensation for the vacation period in the compensation payments
to teachers in the 9-month period during which they actually teach.

The question concerning the payroll certification arises as
a consequence of the school systems' merger because of the dif-
ferences in the months of the year in which each system allowed
for its vacation period. It is reported that the transfer of
teachers from the Latin American Schools to the U.S. Schools will
be accomplished in the following manner:

"December 19, 1976 through March 6, 1977: Vacation
period for Latin American Schools. (Teachers in the

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American Schools system have already received full compensation for the year from March 1976 to March 1977, in the course of the school year extending from March to December 1976.)

"March 7 through June 4, 1977: Teachers in the Latin American Schools return to duty and are assigned to work in the U.S. Schools. (New compensation year commences.)

"June 5 through August 24, 1977: Vacation period for U.S. Schools (Teachers transferred from the Latin American Schools begin second period of vacation without pay.)

"August 25, 1977 through June 4, 1978: U.S. Schools in operation; teachers transferred from the Latin American Schools receive twelve months of compensation over nine months of teaching."

"The teachers who are being transferred to the U.S. Schools system have objected to the foregoing plan proposed by the agency on two grounds. First, they consider it a personal financial hardship to be placed in a non-pay status for approximately twenty-two and a half weeks in a period of thirty-five and a half weeks. Second, it is noted that the plan would result in a reduction of earnings for the calendar year 1977 although not for either the March 1976 to March 1977 or March 1977 to March 1978 employment years.

"What the affected teachers propose is that they be paid uninterrupted compensation (at their usual biweekly rate) during the entire period from March 7, 1977, through June 4, 1978. * * *"

In B-178702, March 13, 1974, a case involving the D.C. Public School teachers, we recognized the fact that the periods during which salary is earned can differ from the periods in which salary is paid. However, if the teachers' position was adopted, the result would be that during the 12 months from March 7, 1977, to March 7, 1978, they would receive 16 months of pay or four-thirds of the annual pay to which they are entitled. However, this would be in contravention of 5 U.S.C. 5536, which specifically provides that an employee whose pay or allowance is fixed by law or regulations may not receive additional pay or allowance for any other service

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or duty, unless authorized by law. Therefore, this proposal may not be implemented.

R. F. Kistner

Deputy Comptroller General
of the United States