

What does the term “accrual” mean in the context of a teacher’s pay?

The term “accrual” is used to describe the phenomenon whereby a teacher’s pay for a standard contract period such as 190 days is paid to the employee over a 12 month period of time.

In May, the 190 day contract teacher will have earned 100% of his or her contract compensation. However, the earned salary is not fully paid out to the teacher until the end of August.

The amount of salary that has been earned but not paid out on June 30 of each year represents a liability to the school system and is disclosed as such in the annual financial statements.