

# How Will the Change to a Bi-weekly Pay Schedule Impact Me?

12-Month Faculty and Staff

# What is happening?

- ▶ The University is implementing a bi-weekly pay schedule for all employees
- ▶ Effective date is July 1, 2017

# Why move to bi-weekly pay?

- ▶ Standardize pay practices across the University
- ▶ More efficient and effective time reporting
- ▶ Reduction in manual adjustments due to after-the-fact reporting
- ▶ Reduction in overpayments
- ▶ Vacation and sick leave balances will be current

# What is the difference in pay cycles?

	Monthly Pay Cycle	Bi-Weekly Pay Cycle
Pay Cycle	1 <sup>st</sup> to last day of the month	Saturday to Friday, two-week period
Paychecks per Year	12	26
Paycheck Date	Last day of the month	Every other Friday after the pay period  Pay day is 7 days in arrears

# How will this affect my pay?

- ▶ The change in payroll schedule will not change what you earn
- ▶ Bi-weekly pay is issued in arrears (lag pay) instead of current time
- ▶ There will be a timing issue in the pay schedule as we move from current pay to lag pay
- ▶ We have adjusted the bi-weekly pay schedule, called conversion pay schedule, in order to get caught up in lag pay cycle
- ▶ Your final monthly paycheck will on June 30, 2017 covering June 1 - 30
- ▶ Your first bi-weekly pay date will be July 14, 2017

# Conversion Pay Schedule

Pay Period Dates	Pay Date	Pay Period Dates	Pay Date
7/1/2017 - 7/14/2017	7/21/2017	<b>7/1/2017 - 7/14/2017</b>	<b>7/14/2017*</b>
7/15/2017 - 7/28/2017	8/4/2017	<b>7/15/2017 - 7/28/2017</b>	<b>7/28/2017*</b>
7/29/2017 - 8/11/2017	8/18/2017	<b>7/29/2017 - 8/11/2017</b>	<b>8/17/2017*</b>
8/12/2017 - 8/25/2017	9/1/2017	<b>8/12/2017 - 8/25/2017</b>	<b>8/31/2017*</b>
8/26/2017 - 9/8/2017	9/15/2017	8/26/2017 - 9/8/2017	9/15/2017
9/9/2017 - 9/22/2017	9/29/2017	9/9/2017 - 9/22/2017	9/29/2017
9/23/2017 - 10/6/2017	10/13/2017	9/23/2017 - 10/6/2017	10/13/2017
10/7/2017 - 10/20/2017	10/27/2017	10/7/2017 - 10/20/2017	10/27/2017
10/21/2017 - 11/3/2017	11/10/2017	10/21/2017 - 11/3/2017	11/10/2017
11/4/2017 - 11/17/2017	11/24/2017	11/4/2017 - 11/17/2017	11/24/2017
11/18/2017 - 12/1/2017	12/8/2017	11/18/2017 - 12/1/2017	12/8/2017
12/2/2017 - 12/15/2017	12/22/2017	12/2/2017 - 12/15/2017	12/22/2017

*\*Bold red dates are the conversion pay dates*

First pay period to be caught up on the bi-weekly pay schedule

# How will benefits and deductions change for bi-weekly?

- ▶ There are 26 bi-weekly paydays in most years
- ▶ Typically 2 months out of the year there will be 3 bi-weekly paydays
- ▶ The third payday in those months will be considered **deduction holidays** because certain deductions will only be taken out over 24 paydays (twice a month) instead of 26 paydays
- ▶ Flat dollar deductions are taken out over 24 paychecks
- ▶ Percentage based deductions are taken out over every paycheck

# How will benefits and deductions change for bi-weekly?

Deductions withheld every pay (26 paychecks)	Deductions withheld twice per month (24 paychecks)
Taxes	Health Insurance
Retirement	Supplemental Insurance (dental, vision, etc.)
Garnishments	403 B
United Way	Voluntary deductions (foundation, athletics, etc.)



# How will the change affect leave?

- ▶ You will continue to earn the same amount of leave
- ▶ The method in which it is accrued will be based on the bi-weekly pay schedule instead of monthly

Length of Service	Per Hour	Per Pay Period	Days A Year
Less than 3 years	.0461	3.6880	12
3 but less than 5	.0576	4.6080	15
5 but less than 10	.0692	5.5360	18
10 but less than 15	.0807	6.4560	21
15 or more	.0923	7.3840	24

*Leave accrual rates based on a bi-weekly pay schedule*

# When will we go to web time entry?

- ▶ Web time entry for employees going through the payroll conversion will not go into effect until September 2017 once we complete the payroll conversion pay periods.

# What can I do to prepare?

- ▶ Change in pay date frequency means change in cash flow - plan ahead for the cash flow impact from the transition
- ▶ Start reviewing your monthly expenses and the timing of your payments
- ▶ Determine changes needed to payment due dates
- ▶ Review your current federal/state tax withholding exemptions to make any necessary changes with the new pay frequency
  - Pay particular attention to “additional” tax withholding amounts, as the amount designated will be withheld every bi-weekly paycheck (i.e. If you are currently withholding an additional \$100, which was coming out monthly, then \$100 will now be withheld on each bi-weekly check)

# How do I find out about updates?

- ▶ The website specifically for payroll conversion will be continuously updated with new information, FAQs and other useful information
- ▶ Email [payroll@ulm.edu](mailto:payroll@ulm.edu) for any questions.
- ▶ Call Human Resources at 342-5140