The PAT Council has received numerous questions about the Payroll transition and the Fitness Reimbursement Benefit. In our efforts to help, we have taken your questions and posed them to Human Resources for clarification. They are summed up below in a Question and Answer format (Q&A):

**Payroll Transition Questions:**

**Q:** Aren’t we losing a week of pay?
**A:** No. Every paycheck represents your pay for a two-week work period. This payroll transition is simply moving the date you receive the paycheck, but it still represents a two-week work period.

**Q:** Why does the $1500 salary in the example of the payroll slide not increase, but the benefits cost does?
**A:** One of the biggest contributors to this confusion lies in the fact that payroll is budgeted on a fiscal year – July 1st to June 30th – while benefits and taxes are based on a calendar year – January 1st to December 31st. Typically, there are 26 paychecks in a calendar year, so the total cost of your benefits is distributed among those 26 paychecks. In 2019, however, there will be 25 paychecks, thus the total cost of your benefits will be distributed among only 25 paychecks. Your gross earnings each paycheck will not change, because each paycheck represents a two-week work period. The work periods are not changing, only the paycheck dates are changing.

**Q:** Why don’t you move the pay period in one week and just pay me for three weeks, then adjust to the new schedule?
**A:** If we moved the work period, it would result in a more complex payroll schedule, where non-exempt and exempt employees are paid based on work completed during two different work periods. We are transitioning to a single payroll schedule, where each employee – hourly and/or salaried – works for the same work period and receives a paycheck for their work the following Friday.

**Q:** Why are we doing this?
**A:** Currently, salaried employees are paid on the last day of their work period. This can result in overpayments for salaried employees who stop working in the second week of a work period. It can also cause new salaried employees who start during the second week of a work period to require either a manual advance check or to receive a late paycheck.

Additionally, hourly employees are already paid the Friday after the work period ends. By transitioning to a single payroll, we will streamline the supervisor and payroll workload, place all employees on the same payroll schedule, reduce the need for manual pay adjustments, and reduce the frequency of overpayments. It will also be beneficial in the ongoing and future implementations of new systems, like benefits administration platforms and time and attendance systems.

**Q:** It seems as if I am getting less salary.
**A:** Your bi-weekly pay is based upon your annual salary, in effect, at the time of the work period. Therefore, you will receive the full salary you have earned. If your annual salary were not to change between 2018, 2019, and 2020, you would notice smaller gross earnings on your W-2 during calendar year 2019, and larger gross earnings on your W-2 in calendar year 2020 compared to your gross earnings in 2018. This is because there are 26 paychecks in 2018, 25 in 2019, and 27 in 2020.

Ultimately, it is important to recognize that your salary is paid based on work periods. If we didn’t make this payroll transition, salaried employees would have received a paycheck on 12/27/2019 for the work period 12/14/2019 through 12/27/2019. Because of the transition, salaried employees will be receiving the paycheck for this work period on 1/3/2020.
**Q:** But OS aren’t affected?
**A:** They are not. Salaried employees are moving to the same payroll schedule as hourly employees. In 2002, hourly-paid employees experienced a paycheck date change as well. The OS paycheck date change was handled differently, though – it was not a transition, but an immediate change. One work period, they were paid on the last day of the work period like salaried employees are paid now. The next work period, they were paid the Friday after the work period ended. This was going to be tough for many staff members, so many opted to cash out some Earned Time – an opportunity typically given to OS staff every October. In 2019, this gradual transition that is occurring for salaried employees should not have as much of a financial burden on our staff since we are only changing the paycheck date by one business day at a time. By giving salaried staff notice of the payroll dates now, we hope to eliminate as much financial burden as we can.

**Q:** I have my car payment come out every two weeks when my paycheck comes in. What should I do?
**A:** We are providing all employees with the payroll calendar and the dates of the paychecks for calendar year 2019 to allow them to plan accordingly. Employees should consider the timing of any automatic bill payments or transfers that are currently scheduled from their financial institutions. Many banks and companies allow their members to change the date of automatic payments but still make those payments on time.

**Q:** If I am paid for an academic year, am I losing a paycheck?
**A:** You are not. When the paychecks are scheduled is changing, but you will continue to be compensated for the full academic year. The last work period for employees paid during Academic Year 2018-2019 is 5/4/2019 through 5/17/2019. Previously, the paycheck for that work period would be on 5/17/2019, but due to the new payroll schedule, the paycheck will be dated 5/24/2019.

**Q:** Could PAT cash out a week of vacation days to assist with the payroll transition? It could help with the deductions increase and be a way for people to deal more effectively with the transition.
**A:** Cashing out a week of vacation days was an option that was discussed. However, a team of human resources, payroll, and IT administrators, and the Human Resources Executive Council, decided against allowing this for various reasons, including the fact that not all salaried employees would be given the opportunity to do so (like academic year Faculty, who do not accrue vacation time). The gradual transition approach was chosen because it will have the least impact on employees’ personal cash flow – that is, shifting paychecks by only one business day at a time instead of delaying an entire week, all at once. We are providing advance communication about the payroll cycle transition, so employees have ample time to be educated about the change and manage their personal finances accordingly.

**Q:** OS currently have longevity. Will this be discontinued, or will PAT have longevity as an option with the payroll change?
**A:** Longevity is no longer an active program for staff hired after 7/1/11. If, however, a salaried staff member took an hourly-paid job and their original hire date was before 7/1/11 they would be eligible for longevity in the hourly-paid role.

**Fitness Reimbursement Benefit Question:**

**Q:** Can you be a member of two different facilities and get a reimbursement if the two do not surpass the $500 cap?
**A:** Yes! Plus, you can split the $500 among family members if so desired.