

UCR

Bi-weekly Pay Conversion Overview

Fall 2012



UNIVERSITY OF CALIFORNIA, RIVERSIDE

Bi-weekly payroll implementation team

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Agenda

- › General Information
- › Preparation
- › Transition Assistance
- › Summary
- › Q&A

Bi-weekly Pay Conversion Overview

GENERAL INFORMATION

UCPath project and deployment

- UCPath = University of California Payroll, Academic Personnel, Timekeeping and Human Resources
- Replaces multiple payroll systems with single payroll and human resources information system for UC
- One guiding principle is to standardize and simplify common business processes

Why move to bi-weekly pay?

- › Standardize pay practices across UC
- › Overtime payments more timely
- › More efficient and effective time reporting
- › Reduction in manual adjustments
- › Reduction in overpayments
- › Vacation and sick leave balances will be current

Who will move to bi-weekly pay?

- ▶ Non-exempt employees (hourly and salaried)
 - ▶ Employees who are eligible for overtime, shift differential, and on-call pay
 - ▶ Employees who report time worked, as well as sick, vacation, compensatory time and other leaves to nearest quarter hour

Bi-weekly pay cycle details

	Bi-weekly pay cycle
Pay cycle	<u>Sunday to Saturday, two week period. Payday is 11 days after pay cycle</u>
Paychecks per year	26
Paycheck date	Every other Wednesday
Pay for Overtime, Shift, On Call, Etc.	Paid in bi-weekly check when earned
Pay rate	<u>Established by hourly rate of pay</u>
Deductions	<u>Percentage deductions taken from all checks</u> <u>Flat dollar deductions taken from 24 checks</u> <u>2 paychecks per year have flat deduction holiday</u>

Sunday to Saturday Example

January 2013							February 2013						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5	6	7	8	9	10	11	12
		8	9	10	11	12	13	14	15	16	17	18	19
		15	16	17	18	19	20	21	22	23	24	25	26
20	21	22	23	24	25	26	27	28	29	30	31		
27	28	29	30	31			24	25	26	27	28		

Pay period begins (Jan 20)
 Pay period ends (Jan 19)
 Pay period begins (Feb 10)
 Pay period ends (Feb 9)

[Return to Bi-weekly Pay Cycle Details](#)

How is hourly rate calculated?

Take the annual rate divided by 2088* to determine the hourly rate.

$$\mathbf{\$41,652 / 2088 \text{ hr} = \$19.95/\text{hr}}$$

*2088 total annual hours = 174 hours per month x 12 months

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Percentage Based Deductions

% Deductions Based on Pay (every paycheck)	
Taxes	<ul style="list-style-type: none">› Federal› State› OASDI (Social Security)› Medicare
Retirement	<ul style="list-style-type: none">› UC Retirement Plan (UCRP) (was Defined Contribution Plan)› 403B or 457B if % Deduction* (for example, 3% of every check)
Other	<ul style="list-style-type: none">› Union Dues / Fair Share

** Employees elect 403B/457B as percentage (%) amount or flat amount*

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Flat Dollar Amount Deductions

Flat Deductions Taken Twice Per Month (24 paychecks)

Insurance	<ul style="list-style-type: none"> › Health Insurance › Life & Dependent Life › Accidental Death & Dismemberment › Supplemental Disability › Health Care/Dependent Care
Retirement	<ul style="list-style-type: none"> › 403B or 457B if Flat Deduction* (for example, \$100/month)
Other	<ul style="list-style-type: none"> › Legal Insurance › California Casualty › Scholarshare › Loans – Credit Union & 403(b) loans › Transit and Parking, etc. › Garnishments

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What are deduction holidays?

A deduction holiday occurs when 3 bi-weekly **pay periods end** within the same calendar month.

- › 26 bi-weekly paydays in most years
- › Flat dollar deductions divided across 24 paychecks
- › Typically 2 deduction holiday paydays per year

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Vacation/sick leave accrual changes

- Vacation and sick leave accruals processed every 4 weeks (2 bi-weekly pay periods) using *factors*
- There are 160 hours per 4-week accrual period
- The number of hours accrued per 4-week cycle will be standard.

Vacation and sick leave factors

Years of Qualifying Service	Per Hour on Pay Status*	Approximate Yearly Earning**	Maximum Accumulated Balance
Less than 10	0.057692	15 days	240 hours
10 but less than 15	0.069231	18 days	288 hours
15 but less than 20	0.080769	21 days	336 hours
20 or more	0.092308	24 days	384 hours

*Hours on pay status, including paid holidays, but excluding all paid overtime hours.

**Full time rate.

Vacation and sick leave example

- A full time employee with leave code 'A'

	Monthly (table)	Biweekly (factor)
Vacation	10.000000	9.230720
Sick Leave	8.000000	7.384640

- Accruals will be the same in a year because of 13 accrual cycles (26 pay periods)
 - $9.230720 \times 13 = 120$ hours

When will bi-weekly pay begin?

- January 20, 2013: Bi-weekly pay cycle begins
- February 1, 2013: Last *partial* monthly paycheck covering January 1 - 19, 2013
- February 13, 2013: First bi-weekly paycheck covering January 20 - February 2, 2013
- February 27, 2013: Next regular bi-weekly paycheck covering February 3 – February 16, 2013

Janu Paycheck
for
December

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Holiday	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21 Holiday	22	23	24	25	26
27	28	29	30	31		

Pay period begins

Pay period ends

February 2013

Paycheck for
January 1 - 20

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	First bi-weekly paycheck for January 20-February 2		8	9
10	11	12	13	14	15	16
17	18 Holiday	19	20	21	22	23
24	25	26	27	28	Next bi-weekly paycheck for February 3 - 16	

Monthly Compared to Biweekly

Employee Name: Patty Payroll

Annual rate = \$41,652 hourly rate = \$19.95

BW Estimate reflects pay for 80 hours* (80 x 19.95 = \$1596)

NOTE: Over the course of the year, you will be paid the same gross

Monthly ESTIMATE	BW ESTIMATE	BW ESTIMATE
Pay Period: Sep-01 to Sep-30	Pay Period: Sep-01 to Sep-14	Pay Period: Sep-15 to Sep-28
Check Date: Oct-01	Check Date: Sep-25	Check Date: Oct-09
Gross Pay: \$3,471.00	Gross Pay: \$1,596.00*	Gross Pay: \$1,596.00*
Deductions:	Deductions:	Deductions:
HLTH NET HMO \$72.91	HLTH NET HMO \$ 36.45	HLTH NET HMO \$ 36.46
PARKING PTX \$70.00	PARKING PTX \$ 35.00	PARKING PTX \$ 35.00
UCRP \$102.48	UCRP \$ 36.86	UCRP \$ 55.86
MEDICARE \$48.26	MEDICARE \$ 21.58	MEDICARE \$ 21.58
OASDI \$206.35	OASDI \$ 92.26	OASDI \$ 92.26
TD 403B FLAT \$100.00	TD 403B FLAT \$ 50.00	TD 403B FLAT \$ 50.00
FEDERAL TAX \$400.17	FEDERAL TAX \$186.50	FEDERAL TAX \$183.65
CA STATE \$112.06	CA STATE \$ 55.25	CA STATE \$ 53.74
SUPPL LIFE \$4.54	SUPPL LIFE \$ 2.27	SUPPL LIFE \$ 2.27
DEP LIFE INSUR \$3.78	DEP LIFE INSUR \$ 1.89	DEP LIFE INSUR \$ 1.89
AD&D INSUR \$7.20	AD&D INSUR \$ 3.60	AD&D INSUR \$ 3.60
SUPPL DIS \$30.54	SUPPL DIS \$ 15.27	SUPPL DIS \$ 15.27
ARAG LEGAL \$13.78	ARAG LEGAL \$ 6.89	ARAG LEGAL \$ 6.89
CX FAIR SH \$16.49	CX FAIR SH \$ 7.98	CX FAIR SH \$ 7.98
Net Pay: \$2,282.44	Net Pay: \$1,044.20	Net Pay: \$1,029.55

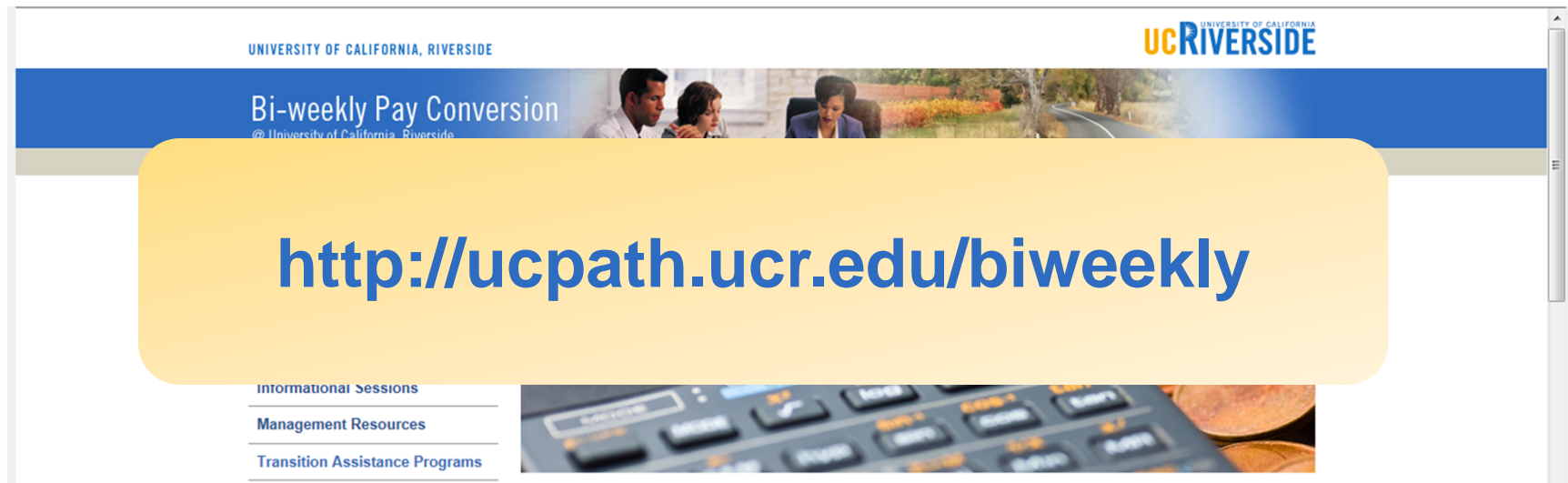
Bi-weekly Pay Conversion Overview

PREPARATION

What can I do to prepare?

- Change in pay date frequency means change in cash flow
 - Cash flow is about timing and amount of money coming into your bank account and timing and amount of money flowing out of your account
- Start reviewing your monthly expenses and the timing of your payments
- Determine changes needed to payment due dates

Tools to help you prepare



The screenshot shows a web browser window displaying the UC Riverside website. The page title is "Bi-weekly Pay Conversion @ University of California, Riverside". The page features a navigation menu with the following items: "Informational Sessions", "Management Resources", and "Transition Assistance Programs". A large yellow callout box is overlaid on the page, containing the URL <http://ucpath.ucr.edu/biweekly>. The background of the page includes a header with the UC Riverside logo and a photograph of three people in an office setting. A calculator and coins are visible in the bottom right corner of the page content.

If you do NOT have access to the Internet,
please ask your supervisor to assist you in
printing out available materials

Tools to help you prepare

- › Interested in a budget workshop?

If you are interested in participating in a budget workshop to help you with this transition, please add your name to the sign-up sheet.

Bi-weekly Pay Conversion Overview

TRANSITION ASSISTANCE

Transition assistance programs

- › Vacation/CTO cash-out program
- › Short-term (no interest) loan program

NOTE: Participation by exclusively represented employees is subject to the collective bargaining requirements of the Higher Education Employer-Employee Relations Act (HEERA). At this time (effective date 11/6/2012), all affected non-represented, UPTe, AFSCME, CUE-IBT and FUPOA employees who meet the requirements of the UCR transition assistance programs may participate.

Vacation/CTO cash-out details

What is it & Who is Eligible?	<p>Cash out of vacation leave/compensatory time (CTO) for any career, non-probationary, non-exempt employee who is converting from monthly to the bi-weekly pay schedule and who meets the following criteria:</p> <ul style="list-style-type: none"> • Appointment at $\geq 50\%$ • Active employment status • Sufficient Accrued Vacation/CTO available
When can I submit my request for a vacation cash-out?	<p>Anytime from <i>December 3, 2012 - January 11, 2013</i></p>
How many requests can be made?	<p>One per person</p>
How is the request made?	<p>Complete the Transition Assistance Program Application Form – Option A Submit the <i>signed</i> form to Payroll (via e-mail @ ucrpayroll@ucr.edu or hardcopy) by 5:00 pm on <i>January 11, 2013</i></p>
When is the money received?	<p>With the last monthly paycheck – February 1, 2013</p>
Terms	<p>The amount of vacation/CTO hours paid out will be deducted from accrued leave banks</p>

Short-term (no interest) loan details

What is it & Who is Eligible?	<p>One-time, short-term, interest free loan from the University. Any career, non-probationary, non-exempt employee who is converting from monthly to the bi-weekly pay schedule and who meets the following criteria:</p> <ul style="list-style-type: none"> • Appointment at $\geq 50\%$ • Active employment status
What are the loan limits?	<p>Minimum = \$500, Maximum = \$1,000</p>
How many requests can be submitted?	<p>One request per person during the program period</p>
When can I submit my request?	<p>Anytime from <i>December 3, 2012 - January 11, 2013</i></p>
When is the money received?	<p>With the last monthly paycheck – Feb. 1, 2013</p> <ul style="list-style-type: none"> • No deductions or taxes will be taken

Short-term (no interest) loan *(continued)*

<p>How do I request the loan?</p>	<ul style="list-style-type: none"> • Complete the Transition Assistance Program Application Form – Option B • Complete the required UCR Short-term (no interest) Loan Promissory Note form • Submit both <i>signed</i> forms to Payroll (via e-mail @ ucrpayroll@ucr.edu or hardcopy) by 5:00 pm on January 11, 2013 • Payroll Services will review your application to ensure that you meet the eligibility criteria list above and will verify that you have completed, signed and submitted the required promissory note
<p>What are the terms of repayment?</p>	<ul style="list-style-type: none"> • Repayment through payroll deduction: 1/12 each payday • First repayment will be deducted from February 27, 2013 paycheck • Entire loan balance must be repaid by August 14, 2013 • If separated from the University before the loan is repaid, the balance will be deducted from your final paycheck

Bi-weekly Pay Conversion Overview

SUMMARY

Summary

- › **Review** the information available and be familiar with dates for the transition
- › **Revisit** your budget and monthly expenses
- › **Revise** your payment due dates if needed
- › **Request** assistance if needed

Key bi-weekly pay conversion dates

Dec 3, 2012	1st day to request transition assistance
Jan 11, 2013	Date request for transition assistance must be in Payroll
Feb 1, 2013	Last monthly paycheck (includes vacation cash-out and/or loan, if requested)
Feb 13, 2013	1st bi-weekly paycheck
Feb 27, 2013	First loan repayment deducted from paycheck
Aug 14, 2013	Loan payment deductions end

Website:

<http://ucpath.ucr.edu/biweekly>

Email help:

biweeklyfeedback@ucr.edu

Bi-weekly Pay Conversion Overview

QUESTIONS?