

TO: PAO/PAU EMPLOYEES
RE: BI-WEEKLY PAYROLL CHANGE

5 THINGS YOU'LL WANT TO KNOW

1. TIMESHEETS

TIME SYSTEM

On **Sunday, August 23, 2009** all PAO & PAU staff will be converted to a bi-weekly pay cycle in order to comply with Fair Labor Standards Act requirements regarding the payment of overtime. At that time, affected staff will begin using the University's TIME system (available via [OneStart](#)) to record their time worked.

Please verify with your department whether you are synchronous or asynchronous

TRAINING OPTIONS

- **ONLINE:** <http://www.ofs.iupui.edu/>
- **USER GUIDE:** <http://www.ofs.iupui.edu/time.aspx>

2. PAYROLL DATES

The bi-weekly payroll change distributes paychecks every other Friday beginning on **Friday, September 18, 2009.**

LAST MONTHLY PAYCHECK

Monday, August 31, 2009

(Pay period August 1 – 22 + 6 days supplemental payment*)

**Supplemental payment requires university employment prior to July 1, 2009. Supplemental payments will be taxed at a tax rate similar to your current income tax rate. According to the Office of Finance Services, the applicable tax rate will vary from employee-to-employee based on their particular tax situation.*

2009 BI-WEEKLY PAY SCHEDULE

PAY DATE	PAY PERIOD
September 18, 2009	August 23 – September 5
October 1, 2009	September 6 – September 19
October 16, 2009	September 20 – October 3
October 30, 2009	October 4 – October 17
November 13, 2009	October 18 – October 31
November 25, 2009	November 1 – November 14
December 11, 2009	November 15 – November 28
December 24, 2009	November 29 – December 12
January 8, 2009	December 13 – December 26

3. DEDUCTIONS SCHEDULE

BENEFIT DEDUCTIONS

The **first pay date in the month** includes the following benefit deductions:

- Medical and Dental deductions: pays for coverage during the last half of the prior month
- Supplemental Life, Personal Accident Insurance and Long Term Disability deductions: pays for coverage during the previous month
- Tax Deferred Annuity, IU Retirement Savings Plan, Tax Saver Health, Tax Saver Dependent Care and Medical Saving Plan contributions: made on every pay

The **second pay date in the month** includes the following benefit deductions:

- Medical and Dental deductions: pays for coverage during the first half of the current month
- Tax Deferred Annuity, IU Retirement Savings Plan, Tax Saver Health, Tax Saver Dependent Care and Medical Saving Plan contributions: made on every pay

The **third pay date in the month** (occurs twice a year) includes the following benefit deductions:

- Tax Deferred Annuity, IU Retirement Savings Plan, Tax Saver Health, Tax Saver Dependent Care and Medical Saving Plan contributions: made on every pay

GENERAL DEDUCTIONS

The **first pay date in the month** includes the following general deductions:

- **Parking deduction:** These normally come out of the first check of each month, however there will be a deduction for parking on the September 18, 2009 paycheck. This is because there will be no paycheck for PAO and PAU employees on September 4, 2009 to deduct parking from. Therefore, payroll will run a one-time deduction for this to be deducted from the September 18, 2009 paycheck.
- **Garnishments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **IU Foundation donations:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **Student Loan payments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **US Bond purchases:** These will be purchased at the amount currently specified unless you change your deduction amount. It will be taken on the first and second paycheck of each month.
- **United Way:** These normally come out of the first check of each month, however

there will be a deduction for parking on the September 18, 2009 paycheck. This is because there will be no paycheck for PAO and PAU employees on September 4, 2009 to deduct United Way from. Therefore, payroll will run a one-time deduction for this to be deducted from the September 18, 2009 paycheck.

- **IUPUI Jagtag:** This is a one-time deduction entered based on what the agency submits to payroll. It will be deducted from each paycheck.
- **Indianapolis childcare:** This is a one-time deduction entered based on what the agency submits to payroll. It will be deducted from each paycheck.

The **second pay date in the month** includes the following general deductions:

- **Garnishments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **IU Foundation donations:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **Student Loan payments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **US Bond purchases:** These will be purchased at the amount currently specified unless you change your deduction amount. It will be taken on the first and second paycheck of each month.
- **IUPUI Jagtag:** This is a one-time deduction entered based on what the agency submits to payroll. It will be deducted from each paycheck.
- **Indianapolis childcare:** This is a one-time deduction entered based on what the agency submits to payroll. It will be deducted from each paycheck.
- **Recreational sports deduction**

The **third pay date in the month** (occurs twice a year) includes the following general deductions:

- **Garnishments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **IU Foundation donations:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **Student Loan payments:** These will be recalculated for a bi-weekly pay schedule and taken out of each paycheck.
- **IUPUI Jagtag:** This is a one-time deduction entered based on what the agency submits to payroll. It will be deducted from each paycheck.

4. NET PAYROLL EFFECT

ANNUAL IMPACT

There is **no change** to the employee's annual net payroll. See example below.

Salary	
Annual gross salary	\$36,000
Monthly salary	\$ 3,000
Bi-weekly salary	\$ 1,384.62

Tax Withholding	
Federal	Single/1
State	1 exemption
Local	Monroe county code #105

Monthly Pay Tax Breakdown	
Regular salary	\$3,000
Federal Tax	\$301.21
State Tax	\$99.17
Local Tax	\$30.33
Social Sec	\$186
Medicare	\$43.50
Net check:	\$2,339.79
Net Year Total: 12 x \$2,339.79= \$28,077.48	

Biweekly Pay Tax Breakdown	
Regular salary	\$1,384.62
Federal Tax	\$139.02
State Tax	\$45.77
Local Tax	\$14.00
Social Sec	\$85.85
Medicare	\$20.08
Net check:	\$1,079.90
Net Year Total: 26 x \$1,079.90= \$28,077.40	

MONTHLY IMPACT

While there is no annual impact to net payroll, be aware that **there is a monthly impact to net payroll** to compensate for months with three paychecks (occurs twice per calendar year). From the example above, the employee's monthly net payroll would result in:

Monthly Paycheck

PAYCHECK #1	\$2,339.79
Monthly Net Pay	\$2,339.79

Two Bi-weekly Paychecks Month (10 calendar months)

PAYCHECK #1	\$1,079.90
PAYCHECK #2	\$1,079.90
Monthly Net Pay	\$2,159.80
Difference	(\$179.99)

Three Bi-Weekly Paychecks Month (2 calendar months)

PAYCHECK #1	\$1,079.90
PAYCHECK #2	\$1,079.90
PAYCHECK #3	\$1,079.90
Monthly Net Pay	\$3,239.70
Difference	\$899.91

5. STAFF COUNCIL UPDATES

TIME SYSTEM RESOLUTION

The IUPUI Staff Council in coordination with the IUPUI Faculty Council played a significant role in addressing the methodology for timekeeping for PAO/PAU employees (i.e. synchronous vs. asynchronous). A resolution drafted by the Faculty Council and supported by the Staff Council addressed the IUPUI campus' previous decision for synchronous timekeeping. University leadership accepted the resolution to allow each unit/school to determine the preferred methodology for timekeeping.

SEMI-MONTHLY OR MONTHLY PAY

The IUPUI Staff Council discussed with the Office of Finance and Administration options for maintaining monthly paychecks or a semi-monthly pay system (i.e. 1st and 15th every month) vs. changing to bi-weekly.

From the Office of Finance and Administration:

The State of Indiana has a legal requirement that employees must be paid within 10 days of the end of the pay period in which they worked. A semi-monthly pay schedule would result in staff sometimes being paid on the 11th and the 12th day after the pay period ends. Were it not for the state law, it would still not be feasible to go to a semi-monthly pay cycle because the TIME system is hard coded for bi-weekly pay cycles only. In order to move everyone to a semi-monthly pay cycle, the TIME system would need extensive modifications. That would result in delaying compliance with FLSA and DOL regulations as well as considerable development costs.

HAVE MORE QUESTIONS?

Q & A for PAO and PAU Staff Transitioning to Bi-weekly Pay Cycle

- http://www.fms.indiana.edu/payroll/paopau_transition_QA.asp

SUPPORT LINE

- fmspayrl@indiana.edu

RELATED OFFICES

- [Office of Finance and Administration](#)
- [Office of Finance Services](#)
- [Payroll](#)
- [Human Resources](#)

STAFF COUNCIL RESOURCES

- [Facebook Group](#)
- [Staff Council Web Site](#)

ADDITIONAL QUESTIONS & CONCERNS

If you should have any additional concerns regarding this topic, you can reach Staff Council at: klee2@iupui.edu or 317-274-2215.