

Monthly to Biweekly Pay Transition

12-month administrators and 12-month faculty

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Overview

- Why
- Benefits of a biweekly pay cycle
- Transition dates
- Tools and resources
- Things to consider

Why?

- **Employee Benefits:** There are several benefits to University employees.
- **Best Practice:** Many universities have transitioned to biweekly payrolls, and many local companies pay weekly.
- **Consistency:** This reduces variations in payroll and benefit deductions, enabling clearer communication with employees, new hires, and candidates.
- **Efficiency:** Enhance efficiency will allow us to allocate more time to addressing other important needs of all employees.

Benefits of a Biweekly Pay Cycle

Faster Access to Funds: Employees receive pay more frequently.

Quicker Access to Accounts: Biweekly deposits into Health Savings and Dependent Care accounts.

Retirement Contributions: Biweekly contributions allow for investments to begin sooner.

Faster Payment Corrections: Missed or corrected payments are included in the next check, rather than waiting for the next monthly cycle.

New Employees: First pay arrives sooner.

When is this change occurring?

The transition from a monthly to a biweekly pay cycle for 12-month administrators and 12-month faculty will take effect on April 26, 2025.

How does this impact your pay?

This transition will not change what you earn; however, a timing issue will create a pay gap as you move from monthly to biweekly pay.

- **Current Monthly Pay**

- Pay Date: Paid on the last working day of the month for the current month.
Example: February 28 pay is for time worked from February 1 through the 28.
- Timesheet: Time away is currently reported a half a month in arrears.
Example: February 28 pay employees report time away from January 16 – February 15.

- **Biweekly Pay**

- Paid every other Friday, one week in a arrears.

Transition Pay

- The University recognizes that switching to a biweekly pay schedule may impact personal finances. To help with this transition, USI will provide **all 12-month administrators and 12-month faculty transitioning to the biweekly pay on April 26, 2025**, a one-time transition payment equivalent to three days' pay at their current rate.

12-Month Employee Pay Dates

- April 30 - Final **full** monthly pay
April 1 through April 30
Three (3) days overlap April 28, 29, & 30
- May 16 - First **full** biweekly pay received for pay period
April 26 through May 9
- May 30 - Second **full** biweekly pay received for pay period
May 10 through May 23

12-Month Employee – Cashflow Comparison

- **Annual salary:** \$50,000
- **Current monthly gross pay:** \$4,166.67
(\$50,000 per year / 12 pays)
- **Biweekly gross pay:** \$1,923.08
(\$50,000 per year/ 26 pays)

12-Month Employee – Cashflow Comparison

- Cashflow throughout the month will shift from 12 monthly pays to 26 biweekly pays a year.
- Employees will receive pay more frequently on biweekly pay schedule.
- Cashflow will vary when comparing it to a specific point in time; it could be more or less.

Can I opt out of biweekly pay?

- All 12-month administrators and 12-month faculty will all be transitioned to the biweekly payroll starting on April 26, 2025. There is no opt-out option.
- All 9-and 10-month faculty and administrators will be transition to the biweekly pay scheduled at the beginning of their 2025-2026 appointment period.

How is this change going to occur?

- If you are currently enrolled in Medical, Dental, Vision, Flexible Spending Accounts (FSA), Health Savings Accounts (HSA), Voluntarily Hospital Indemnity, Voluntary Accident Critical Illness, Voluntary Life Insurance and Disability, etc., we will automatically recalculate premiums to biweekly pay rates.

How is this change going to occur continued...

- Deductions for benefit premiums will be taken from the first two biweekly pays each month. In months with three pays, benefit deductions will not be taken from the third pay.
- **One time exception: In May 2025 deductions will be taken from May 16 and May 30 pays.**

How is this change going to occur continued...

- TIAA Retirement plan contributions, both University and employee portions, will be deducted **every** biweekly pay.
- Wage garnishments and tax levies will be automatically be recalculated to reflect a biweekly amount.

What do YOU need to do?

- **Federal and State Taxes:** Federal and state taxes are withheld from every pay. If you currently have “additional withholdings” for federal and/or state taxes, consider whether you would like to adjust the additional option.
- **Athletic tickets:** Deductions are withheld each pay. These deductions will be doubled with the transition to biweekly pay unless you act with the Blake Brunner.
- Review and submit any changes needed prior to April 28 to ensure they are processed for the May 16 pay.

What do YOU need to do continued...

- **Direct Deposit Allocation** – Your pay will continue to go to your listed account(s). Are the amounts correct?
 - If you currently deposit \$200 to a savings account monthly, you may want to consider changing it to \$92 biweekly.
Calculation: $\$200 \text{ per pay} \times 12 \text{ months} = 2,400 \text{ annually}$
 $/ 26 \text{ biweekly pays} = \$92.31 \text{ per biweekly pay.}$
- Review and submit any changes needed prior to April 28 to ensure they are processed for the May 16 pay.

What do YOU need to do continued...

- **Automatic bill payments or transfers**

- Do you currently have any automatic payments scheduled to be withdrawn from your accounts?
- Do any of the dates need to be adjusted?

- **Billing Cycles**

- If you are concerned that all your bills are due at the same time of the month (e.g., like the first of the month), consider calling the provider to request a different billing cycle.

What other changes are there to consider?

- Will my vacation or sick time accruals change?
 - Vacation and sick accruals will continue to be accrued each pay.
 - Effective May 16 pay, accruals will be based on biweekly accrual amounts.
 - Employee will gain access to vacation and sick time sooner under the biweekly pay schedule.

What other changes are there to consider?

Set up of the webtime entry system for 12-month faculty and administrators is still be being finalized. Time-reporting training sessions will be hosted in early to mid-April.

Is there help available?

Dr. Shawn Robey and Whitley Price will be hosting Financial Workshops. The workshops will cover the following:

- Avoiding financial strain
- Setting up/changing automatic payments
- Adjusting savings contributions
- Effective planning for months with three pay periods

March 5 and March 6

1 pm – 2 pm

UC East 2219-2220

Resources

- Payroll Transition website
- Interactive Cashflow Comparison Tool
- Interactive Vacation and Sick Accrual Tool

Questions?

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