

Date: March 20, 2012
To: FGSR Council
Cc: Mazi Shirvani, Dean Faculty of Graduate Studies & Research
Lindsey Rose, Manager HR/Finance, FGSR
From: Wayne Patterson, Director, HR Operations

Re: Information Regarding new Semi-Monthly Pay Cycle for Graduate Students

On July 1, 2012, the University of Alberta will begin paying all graduate students with assistantships and scholarships on a new semi-monthly pay cycle, moving all existing monthly and biweekly paid students to a cycle with two pay periods and two pay dates each month. To transition to the new payment method, several changes are being introduced to processes that will impact graduate students.

1. Beginning July 1, 2012, all graduate students with graduate teaching or research assistantships, academically-related employment or scholarships paid by Payroll will be paid twice per month rather than monthly or biweekly. There will be two pay periods each month and pay dates will be approximately 10 days after each pay period ends. The first pay period of the month runs the 1st-15th and is paid on the 25th of the month. The second pay period of the month runs the 16th to the last day of the month and is paid on the 10th of the next month.
2. The monthly stipend (salary + award) paid to graduate students will be split into two semi-monthly payments.
3. Monthly scholarships will be split into two semi-monthly payments except when the student is only receiving one pay cheque/deposit in the month. In that case, the student will receive the full monthly amount on one payment. For example, a student starts on September 1 and receives a \$4000 scholarship, payable as \$1000 a month in each of the four months of the term. Because the student will receive one pay cheque in September on September 25, the full \$1000 monthly amount will be paid in September and then \$500 will be paid each semi-monthly pay period until the end of December for a total of \$4000.
4. The automatic tuition fee deduction process to deduct outstanding tuition fees from graduate student salaries in the second to fourth months of the fall, winter and spring/summer terms is changing to run on a semi-monthly basis. Tuition fees will now be deducted in 6 equal installments beginning with the first pay cheque received in the second month of the term. For example, for the fall term, 1/6 of the outstanding tuition fees (up to 80% of salary) will be deducted on October 10 and then 1/6 on each pay cheque until the end of December (Oct 10/25, Nov 10/25, Dec 10/25).
5. In July 2012, graduate students will receive only one semi-monthly pay cheque on the 25th of July. It will include ½ of their monthly stipend (salary + award), the full amount of any monthly scholarship payments, 1/3 of their tuition fee deductions (to a maximum of 80% of semi-monthly salary) plus the optional one-time cash advance payment they have chosen.
6. A one time cash advance

The remainder of this correspondence contains important information about the new semi-monthly payment cycle and how it will impact all Graduate Students.

What is changing?

On July 1, 2012, the University of Alberta will begin paying all graduate students with assistantships and scholarships on a new semi-monthly pay cycle, moving all existing monthly and biweekly paid students to a cycle with two pay periods and two pay dates each month.

Rather than having a single pay date each month on the second last banking day of the month (or every second Tuesday for hourly paid students), beginning July 2012, graduate students will now be paid on the 10th and the 25th of each month (or the previous banking day if those dates fall on a weekend or holiday). Pay dates will move to approximately 10 days after each pay period ends. This means for the pay period of the 1st to the 15th of the month, pay date will be the 25th. For the pay period of the 16th to the end of the month, pay date will be the 10th of the next month. The stipend (salary and award) payments or scholarships you receive each month will now be paid twice per month. One-time scholarships will be paid in whichever pay period they are submitted for payment.

Why are graduate students moving to a semi-monthly pay cycle?

If you are a graduate student with an assistantship or scholarship, currently you receive your monthly stipend (salary and award) plus any scholarship payments on the second last banking day of each month. To pay you on that day, Payroll requires about 10 calendar days to complete the calculations and send your payment to the bank or print your paycheque. Before Payroll can begin processing pay, all changes affecting your appointment, earnings and pay must be reviewed and entered into the PeopleSoft HCM system. The deadline that departments must meet to send in all paperwork is approximately the 10th of each month.

As a result of the time it takes to process the pay each month, Payroll must forecast all the events that affect your appointment and pay between the department deadline and the pay date. In other words, anything that impacts your pay between the 10th and the 29th or 30th of the month (pay date) must be forecasted and may not be paid correctly. In order to correct your pay or make payments that were missed by the department deadline, Payroll must issue off-cycle cheques or delay payment until the end of the next month. As students with financial obligations, tuition/fee payments and lower incomes, paying you correctly, on-time and more frequently is a high priority for Human Resource Services.

Paying you 10 days after each pay period ends will allow Payroll to effectively process all changes affecting your pay after they have happened, eliminating the need to forecast your pay and ensure accurate payment to you on-time each pay period. This will reduce the need to produce costly and inefficient off-cycle cheques and provide a better payment system for students.

Why are graduate students among the first groups to move?

Graduate students are frequently impacted by the negative effects of the current payroll system. 28% of the 8,064 off-cycle cheques produced in 2011 were for graduate students. Off-cycle cheques are extremely costly to produce, requiring the resources of about seven staff across campus and costing approximately \$90 each. Off-cycle cheques are inefficient and result in a delay in payment to students. Frequently those that receive off-cycle cheques will have a temporary hold placed on them by the bank when they are deposited and as a result, the student is not able to access the funds immediately. Payment to graduate students using on-cycle payment processes by direct deposit is efficient, effective, and results in more timely payment.

How will your semi-monthly pay cheque be calculated?

If you are currently paid monthly, your monthly stipend (salary & award) will be divided by two and paid in each semi-monthly pay period. For example, if you currently work 12 hours a week and receive an award of \$878.25 plus a salary of \$1305.75 per month, the monthly amount of \$2,184 will be divided by two and \$1,092 will be paid in each pay period.

Scholarship payments previously paid monthly will now also be paid semi-monthly, each payment equal to one-half of the monthly scholarship amount. However, if you start your scholarship in the first half of the month (1st-15th), you will receive your full monthly scholarship payment on the paycheque on the 25th of the month.

If you start your scholarship in the second half of the month, (16th to the last day of the month), you will receive your scholarship on both pay periods in the next month, half on the 10th and half on the 25th. The total amount of two pay cheques being equal to your full monthly scholarship.

A semi-monthly net pay calculator is available on the Tools & Resources page of the Semi-Monthly pay website at se2.ualberta.ca to help you calculate what your July 2012 and future pay cheques will look like.

What will your July 2012 pay cheque look like?

If your appointment ends into or past July 2012, in July you will receive only one pay cheque/deposit in July paid on July 25th. On that pay cheque, you will be paid your stipend (salary + award) from the period July 1st-15th or ½ of your normal monthly amount. If you are also receiving a monthly scholarship payment, you will receive your full monthly amount on the July 25th pay cheque.

Example: You currently work 12 hours a week as a Graduate Assistant and receive an award of \$878.25 plus a salary of \$1,305.75 per month plus receive an additional \$1,000 a month in scholarship. On July 25, you will be paid ½ of your award ($\$878.25/2 = \439.13), ½ of your salary ($\$1,305.75/2 = \652.88) plus the full monthly amount of your scholarship (\$1,000) for a total monthly payment of \$2,092.01.

The second half of July's salary + award (July 16th-31st) will be paid on August 10 along with ½ of a month's scholarship payment (Award = \$439.13, Salary = \$652.88, Scholarship = \$500) for a total of \$1,592.01. Each pay period after that, on the 10th and 25th of each month, you will receive ½ a month's salary and ½ a monthly scholarship payment amount.

How are tuition fee payments from salary managed on semi-monthly pay?

If you have your tuition fees deducted from your assistantship salary, your deduction will now be taken in six equal payments beginning on the 1st paycheque received in the second month of each term. For example, if you started in the fall term on September 1, your first tuition fee deduction (1/6 of your tuition to a maximum of 80% of your salary) will be taken on the pay cheque of October 10. The balance of your tuition will be then deducted in five more installments on October 25th, November 10 and 25th, and December 10th and 25th.

Tuition fees are deducted in the fall term (October, November & December), winter term (February, March & April) and spring/summer term (June, July & August). Fees are deducted during each pay period in each term.

Since I will not be receiving a full month's stipend (salary + award) in July, how will I meet my expenses at the end of the month?

To assist with this transition, the University is offering an **optional one-time cash advance** to salaried graduate students to help offset any financial challenges affected individuals may face in the first month of the change. The advance will be paid on July 25, 2012 and would be repaid in equal installments over a maximum of 24 pay periods or the end of your assistantship appointment(s), whichever is earlier. You

will be eligible for an advance for up to 70% of your July 1st semi-monthly stipend (salary + award). You are not eligible to receive a cash advance on your monthly or one-time scholarship payments as your full monthly amount of scholarship will be paid in July 2012 and each subsequent month. The cash advance is only available upon request and you will choose your option using an online form between April 1 and June 1. More information about the advance program is available on the Semi-Monthly Pay Cycle website at www.se2.ualberta.ca.

Who else is impacted by semi-monthly pay?

The new semi-monthly pay cycle will be used beginning July 1 for all NASA employees, graduate students, excluded students and postdoctoral fellows. The new cycle is designed to improve the payroll process and services, both for you and the University. For you, the change will support more timely, accurate and timely payments and reduce the inconvenience due to pay corrections and off-cycle pay cheques issued each year. For the University, the payroll processes will become more streamlined, standardized and efficient and reduce the high cost of producing off-cycle cheques required to correct errors in pay.

Town Hall Information Session

Human Resource Services will be holding a town hall information session designed for all graduate students impacted by the change to a semi-monthly pay cycle on Tuesday, March 13, 2012 from 1:00-2:30 pm in Room 1-190 ECHA (Edmonton Clinic Health Academy). The session is designed to provide information about the new pay cycle, the rationale for the change, the impact it has on graduate students, how we are helping with the transition and to provide answers to the common questions being asked.

Need more information? Learn all about this upcoming change from our website at www.se2.ualberta.ca. You can also get answers to your questions from the project helpdesk at [\(780\) 492-4395](tel:7804924395) or by email at se2help@ualberta.ca.

Sincerely,

Wayne Patterson
Director, HR Operations