

Service Excellence & Efficiency **SE<sup>2</sup>**

**Human Resource Services  
Service Excellence & Efficiency Initiative**  
Semi-Monthly Pay Change



**UNIVERSITY OF ALBERTA**

*"uplifting the whole people"*  
—HON. MARSHALL TOWN, FORMER PRESIDENT, 1988

**Service Excellence & Efficiency Initiative Overview**

- Multi phased program designed to improve the services, processes and systems Human Resource Services offers to all university stakeholders.
- Program goals
  - Improve service to customers
  - Streamline current business processes
  - Introduce new efficient and effective processes
  - Capitalize on functionality within PeopleSoft HCM
  - Reduce system customizations
- First phase – Semi-monthly pay cycle implementation

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**What Is Changing?**

- On July 1, 2012, the University will implement a semi-monthly pay cycle for all NASA employees, graduate students, excluded students and postdoctoral fellows
- 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 1<sup>st</sup>-15<sup>th</sup> and is paid on the 25<sup>th</sup> of the month. The second pay period of the month runs the 16<sup>th</sup> to the last day of the month and is paid on the 10<sup>th</sup> of the next month.

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**Why Change Pay Cycles?**

- Careful analysis of current payroll processes was completed
- Each monthly pay cycle requires about 10 calendar days of payroll processing time to complete pay. Payroll completes pay about the 7-8 days before the end of the month.
- Deadlines to departments must be approximately 10<sup>th</sup> of each month to ensure HRS/Payroll can complete pay.
- Changes for employees that occur between cutoff and end of the month may not be processed in that month.
- Forecasting is required for transactions between cutoff and end of month. Results in overpayments, underpayments and off-cycle cheques.

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### Why Change Pay Cycles?

- Off-cycle cheques are required to correct payments. Each off-cycle requires 7-9 persons and costs the University \$90. Last year, payroll completed over 8000 off-cycle cheques. Total cost over \$775K per year.
- 28% of off-cycle cheques are for graduate students.
- Goal is to pay all employees/student correctly, on-time, the first time by direct deposit.




### Why are NASA staff, graduate students and PDFs the first groups to move?

- NASA staff and graduate students are the groups most impacted by the negative affects of the current payroll system. Most of the off-cycle cheques are for non-academic staff.
- Graduate students receive 1/3 of the off-cycle cheques.
- Graduate students can benefit by getting paid sooner.



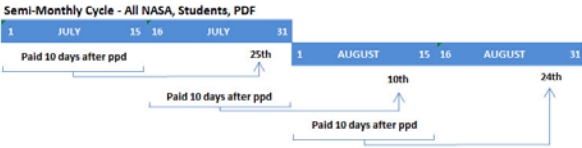

### Who Is Not Changing to Semi-monthly pay at this time?

- Employees in the AASUA agreements will remain on the monthly payroll cycle and will not change pay frequencies unless they also have a concurrent appointment outside AASUA. In this case, the AASUA appointment will be paid monthly and the non-AASUA appointment will be paid semi-monthly.
- AASUA has 7 staff agreements that must be negotiated in bargaining to get language changed to allow semi-monthly pay. Discussions with AASUA are occurring.
- Long-term goal is to have all University payments on a semi-monthly pay cycle, paid 10 days after the pay period.




### New Cycle

- Two semi-monthly pay periods
  - 1<sup>st</sup> pay period 1<sup>st</sup> – 15<sup>th</sup> of the month, paid on the 25<sup>th</sup>.
  - 2<sup>nd</sup> pay period 16<sup>th</sup> – last day of month, paid on the 10<sup>th</sup> of the next month.

### How will stipends be impacted?


- The monthly stipend (salary + award) paid to graduate students will be split into two semi-monthly payments.
- For example, if a student currently works 12 hours a week and receives 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.



### How will scholarships be impacted?


- Monthly scholarships will be split into two semi-monthly payments except when you are only receiving one pay cheque/deposit in the month. In that case, you will receive the full monthly amount on one payment.
- For example: You start on September 1 and receive a \$4,000 scholarship, payable as \$1,000 a month in each of the four months of the term.
 

Paycheque	
Sept 25	\$1,000
Oct 10	\$500
Oct 25	\$500
Nov 9	\$500
Nov 23	\$500
Dec 10	\$500
Dec 24	\$500
<b>Total Amount</b>	<b>\$4,000</b>
- One-time scholarships will still be fully paid in the pay period in which payroll receives them.



### How will tuition/fees be deducted?

- The automatic tuition fee deduction process to deduct outstanding tuition fees from graduate student salaries (FEETAR) will run on a semi-monthly basis.
- Fall & Winter Terms
  - Tuition fees will now be deducted in six equal installments beginning with the first pay cheque received in the second month of the term. Ex. 2 payments in Oct/Nov/Dec & Feb/Mar/April
- Spring & Summer Terms
  - Tuition fees will now be deducted in three equal instalments per term beginning with the first pay cheque received in each month of the term. Ex. May 25, June 10 & 25 or July 25, Aug 10 & 25




### How will tuition/fees be deducted this summer?

- Fees in Spring/Summer 2012 will be deducted differently
- Spring Term – May/June 2012
  - No fees deducted in May
  - 1/3 outstanding fees deducted on June 29 monthly paycheque
- Summer Term – July/August 2012
  - Balance of fees deducted in three installments over July and August
  - 1/3 of remaining fees deducted on July 25 (only July paycheque)
  - 1/2 of remaining fees deducted on August 10
  - Remaining fees deducted on August 24




### What is the impact in July 2012?

- 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) – for period July 1<sup>st</sup> - 15<sup>th</sup>
  - the full amount of any monthly scholarship payments for July
  - 1/3 of their outstanding tuition fee deductions (to a maximum of 80% of semi-monthly salary)
  - plus the optional one-time cash advance payment they have chosen.




### How are we helping with the transition?

- One-time optional cash advance is being offered to monthly paid students with assistantships
- Advance equivalent to up to 70% of their July 1, 2012 semi-monthly stipend amount.
- Advance will be paid on July 25. Repaid in equal installments not to exceed the end of their assistantship appointment or 24 pay periods, whichever is later.
- Students will make their election through an online form and instructions will be sent to them for April 1.
- The advance will be paid from a central account and will not be charged to individual trust holder accounts.
- If fall appointments can be made earlier, better benefit to students.



		Estimated Semi-Monthly Pay Without Cash Advance				Estimated Semi-Monthly Pay With Cash Advance				
		July 25, 2012	Aug 10, 2012	Aug 24, 2012	Sept 08, 2012	July 25, 2012	Aug 10, 2012	Aug 24, 2012	Sept 08, 2012	
1	Earnings									
	Monthly Salary	295.75	147.88	147.88	147.88	147.88	147.88	147.88	147.88	
	Award (Bursary)	219.50	109.75	109.75	109.75	109.75	109.75	109.75	109.75	
	Scholarship (Monthly Amt)	3,458.33	1,729.17	1,729.17	1,729.17	1,729.17	1,729.17	1,729.17	1,729.17	
	Scholarship (Monthly Amt)	169.92	84.96	84.96	84.96	84.96	84.96	84.96	84.96	
2	CASH ADVANCE (From option chosen below)					240.00				
	Advance Repayment (from calculation below)						(100.00)	(100.00)		
<b>TOTAL</b>		<b>2,143.50</b>	<b>1,071.75</b>	<b>1,071.75</b>	<b>1,071.75</b>	<b>2,178.88</b>	<b>1,071.75</b>	<b>1,041.75</b>	<b>1,041.75</b>	
3	OT (Income Tax)	-	-	-	-	-	-	-	-	
	CPP (Canada Pension Plan)	0.21	0.11	0.11	0.11	0.11	0.11	0.11	0.11	
	EI (Employment Insurance)	9.42	2.71	2.71	2.71	2.71	2.71	2.71	2.71	
	TOTAL	9.63	2.82	2.82	2.82	2.82	2.82	2.82	2.82	
	<b>TOTAL</b>									
4	BEFORE TAX DEDUCTIONS									
	SEE TA/NA (Automated Tuition Fee Payment)	-	-	-	-	-	-	-	-	
	TOTAL	-	-	-	-	-	-	-	-	
	<b>TOTAL</b>									
	<b>TOTAL</b>		<b>2,137.87</b>	<b>1,068.94</b>	<b>1,068.94</b>	<b>1,068.94</b>	<b>2,123.06</b>	<b>1,068.94</b>	<b>1,038.94</b>	<b>1,038.94</b>




Sample Net Pay Calculator

### Semi-Monthly Pay Example for Graduate Student Fall Term

Graduate student starting assistantship Sept 1.  
12 hr week appointment as principal instructor earning minimum salary for 2011-2012.  
\$4,000 scholarship for term paid monthly and \$2,000 scholarship paid monthly.  
Tuition fees totalling \$2,038.65 for fall term.


		Previous Monthly Amounts													
		Sept 10	Sept 25	Oct 10	Oct 25	Nov 10	Nov 25	Dec 10	Dec 25	Jan 10	Total				
1	Earnings														
	Monthly Salary	1,072.25	536.13	536.13	536.13	536.13	536.13	536.13	536.13	536.13	536.13	4,289.00			
	Award (Bursary)	878.25	439.13	439.13	439.13	439.13	439.13	439.13	439.13	439.13	439.13	3,513.00			
	Scholarship (Monthly Amt)	1,000.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	4,000.00			
	Scholarship (Monthly Amt)	500.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	2,000.00			
<b>TOTAL</b>		<b>3,450.50</b>	-	2,475.25	1,725.25	1,725.25	1,725.25	1,725.25	1,725.25	1,725.25	975.25	13,802.00			
2	TAXES														
	OT (Income Tax)	3.86	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	15.44			
	CPP (Canada Pension Plan)	38.64	19.32	19.32	19.32	19.32	19.32	19.32	19.32	19.32	19.32	154.56			
	EI (Employment Insurance)	19.62	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	9.81	78.48			
	<b>TOTAL</b>		<b>62.12</b>	31.06	31.06	31.06	31.06	31.06	31.06	31.06	31.06	248.48			
<b>TOTAL</b>															
3	BEFORE TAX DEDUCTIONS														
	SEE TA/NA (Automated Tuition Fee Payment)	-	-	-	-	-	-	-	-	-	-	-			
	TOTAL	-	-	-	-	-	-	-	-	-	-	-			
	<b>TOTAL</b>														
	<b>TOTAL</b>														
4	AFTER TAX DEDUCTIONS														
	SEE TA/NA (Automated Tuition Fee Payment)	679.55	-	-	-	-	-	-	-	-	-	-	2,038.65		
	TOTAL	679.55	-	-	-	-	-	-	-	-	-	-			
	<b>TOTAL</b>		<b>679.55</b>	-	-	-	-	-	-	-	-	-	-		
	<b>TOTAL</b>		<b>2,708.83</b>	<b>2,444.19</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>1,354.42</b>	<b>944.19</b>	<b>11,514.87</b>		



Sample Pay for Fall Term


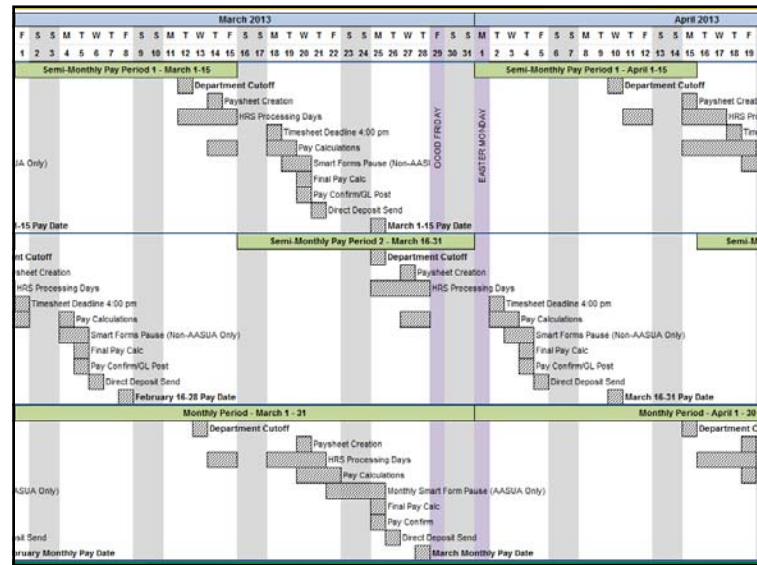
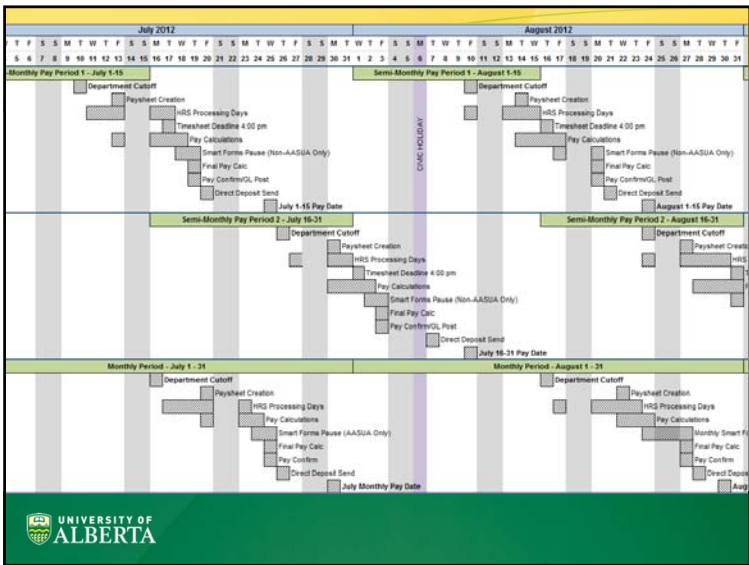
### How does this impact GL?

- GL for monthly pay cycle (AASUA employees) will continue to run on last day of the month.
- GL for each semi-monthly pay period will run on night of payroll confirm (approximately 3 working days before pay date)
- GL for second semi-monthly pay period will run on or before the 4<sup>th</sup> working day of the next month. Example, GL for pay period July 16-31<sup>st</sup> will run on August 3<sup>rd</sup>.
- GL expenses will always be attributed to the month of the pay period end date, not the pay cheque date. Ex. GL for July 16-31 tracked to July expenses.
- Financial Services will extend the month-end close until after payroll transactions are posted.




### How does this impact GL?

- Automation in PeopleSoft Finance is being added to automatically receive the Payroll GL file.
- Automated emails from PeopleSoft Financials to FS Bulletins list serve will be generated when the Payroll file has completed posting to the GL.
- Journal masks for semi-monthly pay will be created beginning with PYS
- Indirect Cost Process will run after payroll posts to the GL.
- TEEF processing is being updated to run based on pay end date, not pay cheque date.
- Year-end processing calendar will be reviewed in 2013 to determine if process run dates need to be modified.


### What impact to department processes?



- Payroll deadlines will change.
- Pay dates and pay periods change.
- Smart forms will be paused only for the specific pay cycle processed.
  - While semi-monthly pause is on, Academic forms can still load and vice versa.
- Online and printed timesheets modified to be full length of the pay period.
- Salary rates within PeopleSoft still expressed as monthly and hourly rates. No change to offer letters, etc.
  - Semi-monthly pay rate added for reference.
- Pay Action forms being updated to reflect semi-monthly rates for additional pay amounts, allowances, etc.
- No change to vacation entitlements.



### What impact to department processes?

- Minor change to PeopleSoft reporting, distributed access.
- Semi-monthly salary rate added to a couple reports and pages.
- One common pay date for all non-academic staff, students, PDFs.
- Push for staff and students to get onto direct deposit immediately upon employment resulting in fewer cheques.
- Fewer off-cycle cheques.
- Limited or no future need for payroll advances.



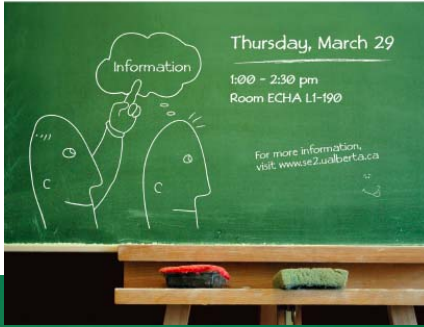



### More Information

- <http://se2.ualberta.ca>
- 780-492-4395
- [se2help@ualberta.ca](mailto:se2help@ualberta.ca)

### Town Hall for Graduate Students


- March 29  
1:00 – 2:30 pm  
L1-190 Edmonton  
Clinic Health Academy  
(ECHA)



**Information Session**  
on Semi-monthly Pay Change  
for Graduate Students

Thursday, March 29  
1:00 - 2:30 pm  
Room ECHA L1-190

For more information,  
visit [www.se2.ualberta.ca](http://www.se2.ualberta.ca)



# Questions?

