

Service Excellence & Efficiency **SE²**

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



UNIVERSITY OF ALBERTA

"uplifting the whole people"
—HON. MARSHALL TOWN, FOUNDER PRESIDENT, 1908

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 postdoctoral fellows paid a fellowship through Payroll will be paid twice per month rather than monthly.
- 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.

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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 10th of each month to ensure HRS/Payroll can complete pay.
- Changes for employees, students and PDFs 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.
- 22% of Postdoctoral fellows had off-cycle cheques in the last year.
- Goal is to pay all employees/students/postdoctoral fellows correctly, on-time, the first time by direct deposit.




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

- NASA staff, graduate students and postdoctoral fellows 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, students and PDF's.
- These three groups of people share the same configuration and payroll processing batch in our PeopleSoft system so more efficient to move all at once.
- These groups can benefit more from being paid more frequently each month.





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
 - 1st pay period 1st – 15th of the month, paid on the 25th.
 - 2nd pay period 16th – last day of month, paid on the 10th of the next month.

How will fellowships be impacted?

- The monthly fellowship payments paid to postdoctoral fellows will be split into two semi-monthly payments.
- For example, if a PDF currently has a fellowship payment of \$4,000 per month, the monthly amount will be divided by two and \$2,000 will be paid in each pay period.



How does this impact paycheques?

- Semi-monthly gross payment is monthly payment divided by 2
- Monthly cost for ETS at Work Pass will be split in two and equal amounts taken each pay period. ($\$64.33/2 = \32.16)
- University paid benefits will be processed in the first pay period of each month only (Dental, Supplementation Health, PDF Assistance Program)
- Income taxes (T4A) will be half of monthly amount on each cheque.



What is the impact in July 2012?

- In July 2012, postdoctoral fellows will receive only one semi-monthly pay cheque on the 25th of July.
- It will include:
 - $\frac{1}{2}$ of your monthly fellowship payment covering the period July 1 to July 15.
 - $\frac{1}{2}$ of the monthly ETS bus pass deduction ($\$64.33/2 = \32.16)
 - $\frac{1}{2}$ of the monthly ETS taxable benefit amount ($\$10.16/2 = \5.08)
- Next payment will be on August 10 covering the period July 16 to July 31



How are we helping with the transition?

- One-time optional cash advance is being offered to postdoctoral fellows
- Advance equivalent to up to 70% of their July 1, 2012 semi-monthly fellowship amount.
- Advance will be paid on July 25. Repaid in equal installments not to exceed the end of your fellowship or 24 pay periods, whichever is later.
- PDF will make your election through an online form between April 1 and June 1. Instructions will be sent to you by email next week.
- The advance will be paid from a central account and will not be charged to individual departments.



Estimated Semi-Monthly Pay Calculator For Postdoctoral Fellows (with Cash Advance Option)

Instructions for Use:
 1. Using the information available on your Bear Tracks Pay advice, please complete steps 1 to 4 below.
 2. A sample pay advice to the right will illustrate where to obtain the appropriate figures.
 3. If you would like the one time cash advance complete steps 5-8.

Step 1: Earnings (Use information from your Pay Advice)

Earnings	Estimated Semi-Monthly Pay Without Cash Advance				Estimated Semi-Monthly Pay With Cash Advance			
	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012
Monthly Fellowship (Post Doc PDF)	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Cash Advance (From option chosen below)					1,400.00			
Advance Payment (From calculation below)						195.56	195.56	
TOTAL	2,000.00	2,000.00	2,000.00	2,000.00	3,400.00	2,000.00	1,844.44	1,844.44

Step 2: TAXES

Taxes	Monthly	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012
CIJ (Canadian Income Tax 14%)	374.88	377.44	377.44	377.44	377.44	377.44	377.44	377.44	377.44
CPP (Canada Pension Plan)		-	-	-	-	-	-	-	-
EI (Employment Insurance)		-	-	-	-	-	-	-	-
TOTAL	374.88	377.44	377.44	377.44	377.44	377.44	377.44	377.44	

Step 3: BEFORE TAX DEDUCTIONS

Before Tax Deductions	Monthly	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012
		-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

Step 4: AFTER TAX DEDUCTIONS

After Tax Deductions	Monthly	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012
TERMINUS (At Work Plans)	64.33	32.17	32.17	32.17	32.17	32.17	32.17	32.17	32.17
		-	-	-	-	-	-	-	-
TOTAL	64.33	32.17	32.17	32.17	32.17	32.17	32.17	32.17	

NET PAY DEDUCTIONS

Net Pay Deductions	Monthly	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012	July 25, 2012	Aug 9, 2012	Aug 24, 2012	Sept 9, 2012
TOTAL	3,180.79	1,590.40	1,590.40	1,590.40	1,590.40	2,990.40	1,590.40	1,434.84	1,434.84

Optional: If you wish to take advantage of the Cash Advance program please complete steps 5, 6 and 7.

Step 5: CASH ADVANCE OPTION

Choose One	Step 6	AMOUNT	Step 7	FEEDBACK
<input checked="" type="radio"/> Percent <input type="radio"/> Flat Amount <input type="radio"/> No Advance	70 % (base 70% of semi-monthly gross pay) Flat Amount (base 70% of semi-monthly)	1,400.00	9	

or

More Information

- <http://se2.ualberta.ca>
- 780-492-4395
- se2help@ualberta.ca



Questions?

