

Louisiana Tech University Payroll Schedule Change

Effective January 1, 2020



How will the payroll schedule change impact me?

- Non-classified staff, academic administrators, and graduate and undergraduate employees will change to a biweekly payroll cycle
- Nine-month faculty and adjunct instructors will continue to be paid monthly
- The biweekly schedule for Civil Service classified employees will not change
- Effective January 1, 2020



Why move to biweekly pay?

- Standardize payroll schedules for Louisiana Tech, Southeastern, and UNO in preparation for Workday, our new ERP system
- Create greater efficiencies in Human Resources and Office of the Comptroller
- Utilize industry best practices for payroll administration
- Pay our student employees more frequently
- Will often shorten the delay in the first payroll disbursement for new employees
- Each of the three institutions can process payroll for the others in the event of an emergency



What is the difference in pay cycles?

	Monthly Pay Cycle	Biweekly Pay Cycle
Pay Cycle	1 st to last day of the month	Saturday to Friday, two-week period
Paychecks per Year	12	26
Paycheck Date	Last working day of the month	Every other Friday after the pay period Pay day is 7 days in arrears



Annual Comparison of Monthly vs Biweekly Payroll

Monthly	
Pay Period #	Gross Pay
1	4,333.33
2	4,333.33
3	4,333.33
4	4,333.33
5	4,333.33
6	4,333.33
7	4,333.33
8	4,333.33
9	4,333.33
10	4,333.33
11	4,333.33
12	4,333.37
TOTAL	52,000.00

Annual Salary: \$52,000

Biweekly	
Pay Period #	Gross Pay
1	2,000.00
2	2,000.00
3	2,000.00
4	2,000.00
5	2,000.00
6	2,000.00
7	2,000.00
8	2,000.00
9	2,000.00
10	2,000.00
11	2,000.00
12	2,000.00
13	2,000.00
14	2,000.00
15	2,000.00
16	2,000.00
17	2,000.00
18	2,000.00
19	2,000.00
20	2,000.00
21	2,000.00
22	2,000.00
23	2,000.00
24	2,000.00
25	2,000.00
26	2,000.00
TOTAL	52,000.00

Important Notes

For the first biweekly pay period, an unclassified employee will only be paid for Jan 1-3.

This will be 3 out of the 10 total weekdays during the pay period of 12/21/2019 - 01/03/2020.

For the example salary above, the salary paid on the first biweekly payroll in January will be: \$600 (3/10 x \$2,000)



How will this change affect my pay?

- The change in payroll schedule will not change what you earn
- Biweekly pay is issued one week in arrears instead of the last day of the pay period
- Your first biweekly pay date will be January 10, 2020 for the pay period covering January 1st through 3rd
- Your second biweekly pay date will be January 24, 2020 for the pay period covering January 4th through January 17th



Biweekly Payroll Schedule: January - June 2020

Pay Period Dates	Pay Date
1/01/20 – 1/03/20	1/10/20 – partial pay period for non-classified employees. Paid for the month of December on 12/30/19
1/04/20 – 1/17/20	1/24/20
1/18/20 – 1/31/20	2/07/20
2/01/20 – 2/14/20	2/21/20
2/15/20 – 2/28/20	3/06/20
2/29/20 – 3/13/20	3/20/20
3/14/20 – 3/27/20	4/03/20
3/28/20 – 4/10/20	4/17/20
4/11/20 – 4/24/20	5/01/20
4/25/20 – 5/08/20	5/15/20
5/09/20 – 5/22/20	5/29/20 – 3 rd paycheck in May
5/23/20 – 6/05/20	6/12/20
6/06/20 – 6/19/20	6/26/20



How will benefits and deductions change for biweekly?

- There are 26 biweekly pay days in most years
- Typically, 2 months out of the year will have 3 biweekly pay days. **Note change for May 2020 on following slide.**
- The third pay day in those 2 months is considered a “deduction holiday” because certain deductions, such as health insurance, will only be taken out over 24 pay days (twice a month) instead of 26 pay days. **Note change for May 2020 on following slide.**



Important Changes for Insurance Deductions

- In order to ease the transition from the monthly payroll cycle to the biweekly payroll cycle, the University has decided **NOT** to deduct one-half of the monthly insurance premiums from this partial biweekly pay period. Instead the January premiums will be deducted from the January 4th - 17th pay period disbursed on January 24th and the January 18th - 31st pay period disbursed on February 7th. We will continue to deduct one-half of the monthly premium each pay period through the 3rd pay period in May. This change requires that the insurance premium be deducted from the third paycheck in May.
- In order to accomplish this one-time change in our current payroll system, we will be required to eliminate the deduction of insurance premiums for all biweekly employees paid on January 10th, including the **Civil Service classified employees** already paid on a biweekly cycle. For the classified employees, there will be no deduction for insurance premiums for the payroll period of December 21st through January 3rd disbursed on January 10th. Instead, there will be a deduction for insurance premiums on the third payroll in May disbursed on May 29th.
- **Note:** Insurance premiums excluded from the first January biweekly include health, dental, vision, short-term disability, long-term disability, life, FSA, as well as the HSA premium (premium portion only) and other supplemental insurances. The HSA savings contribution will be deducted on the January 10th payroll disbursement.

How will benefits and deductions change for biweekly?

Deductions withheld every payday (26 paychecks)	Deductions withheld twice per month (24 paychecks)
Taxes	Health Insurance (note change on previous slide)
Retirement	Supplemental insurance such as dental, vision, etc. (note change on previous slide)
Garnishments	Voluntary deductions such as Alumni Fund - (will change 07/01/20)
403b/ 457 (Deferred Comp)	
Credit Union	
United Way	



How will the change affect leave?

- You will continue to earn the same amount of leave
- The method in which it is accrued will be based on the biweekly pay schedule instead of monthly

Length of Service	Per Hour	Per Pay Period	Days per Year
Less than 3 years	.0461	3.6880	12
3 but less than 5	.0576	4.6080	15
5 but less than 10	.0692	5.5360	18
10 but less than 15	.0807	6.4560	21
15 or more	.0923	7.3840	24



How will the change affect leave?

- Your pay stub will reflect your leave balances prior to the current pay period
- For example, your 1/24/20 pay stub will not include leave earned or taken during the 1/4/20 to 1/17/20 pay period



How will this change affect the submission of my attendance and leave report?

- For salaried employees, the attendance and leave report will be due the Wednesday following the end of the pay period. For example, the report for the 1/04/20 to 1/17/20 pay period will be due on Wednesday, 1/22/20.
- For hourly employees, the timesheet will be due the Monday following the end of the pay period. For example, the timesheet for the 1/04/20 to 1/17/20 pay period will be due on Monday, 1/20/20.
- Deadlines may be adjusted due to holidays or University closures
- The University will continue to utilize paper attendance and leave reports and timesheets until after the Workday ERP system has been implemented in fiscal year 2020-2021



What can I do to prepare?

- Change in pay date frequency means change in cash flow – review the biweekly payroll schedule
- Review your monthly expenses and the timing of your payments
- Determine changes needed to your payment due dates
- In the coming weeks, the Office of the Comptroller will send emails to non-classified employees who are required to complete new authorization forms for certain withholdings and deductions because of the payroll schedule change. This includes employees with additional federal and state withholding amounts specified on their current W-4 and L-4 tax forms, as well as those with credit union deductions, 403B plans, and deferred compensation plans.



Questions?

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- For copies of this presentation and other campus communications related to the payroll schedule change, please visit latech.edu/workday

