Biweekly Pay Transition

Non-Exempts to a biweekly pay cycle

Overview

- Biweekly pay overview
- Pay cycle comparison
- Hourly pay rate
- Payroll Deductions
- Moving Forward
- Employee Preparation
- Transition Assistance Program
- Staying Informed
- Factor Leave Accruals
- Additional Questions

Biweekly Pay Conversion

- UC Berkeley will transition approximately 10,500 non-exempt employees from the Monthly (MO), Monthly Arrears (MA), and Semi-monthly (SM) pay cycles to a biweekly (BW) pay cycle planned for November 1, 2014.

- After the transition, all exempt employees will be paid on the 1st of the month and all non-exempt employees will be paid every other Wednesday.

Why change to biweekly

- Berkeley's transition to a biweekly pay cycle is in alignment with the standardization of pay cycles across all UC campuses in preparation for the implementation of a single payroll system across all ten campuses and five medical centers (UCPATH).

- In addition, standardizing pay cycles prepares Berkeley for the move of timekeeping processes to Campus Shared Services and the implementation of CalTime.

November 1, 2014

How was an optimal biweekly conversion date determined?

- Employee will essentially have a full pay period prior to transitioning to biweekly pay.
- Considered lessons learned from other UC campus conversions and issues with mid-month conversion dates
- Aligns with the employee payroll deduction of medical benefits
- Aligns with the CalTime Project Schedule

Who will convert to biweekly Pay?

Non-exempt* Employees

- Employees currently paid on the 1st , 8th, and/or 23rd
- Eligible for overtime, shift, and on-call pay
- Report time worked as well as sick, vacation, comp- time, and other leave to the nearest quarter hour

*Note: All employees in academic titles are exempt and will not transition to biweekly pay.

Pay Cycle Standardization

As part of the implementation of biweekly pay, the monthly arrears and semi-monthly pay cycles will be retired.

- All exempt employees currently paid on a monthly arrears and or semi-monthly pay cycle were transitioned to a monthly pay (pay date is the 1st of the month) effective July 1, 2014.

Benefits of a biweekly Pay Cycle

- Eligible employees will receive overtime pay more frequently
- Employees will be paid every other Wednesday
- Eliminates the need for timekeepers to project employee time each pay period
- Pay cycles will be standardized across the UC system
- Prepares the campus for the future transition to UCPATH

Monthly Pay Cycle

AUGUST						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Pay Period = 1st to last day of the month
- Standard pay date is 1st or 8th
- Receive monthly earnings on the 1st or the 8th of the following month (If pay day falls on a weekend, the pay day will be the preceeding Friday)
- 12 paychecks per year

Berkeley
UNIVERSITY OF CALIFORNIA

Semi-Monthly Pay Cycle

AUGUST						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

8/1-8/15 paid 8/22
8/16-8/31 paid 9/8

SEPTEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

9/1-9/15 paid 9/23
9/16-9/30 paid 10/8

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

10/1-10/15 paid 10/23
10/16-10/31 paid 11/7

- Pay Period = 1-15 and 16-last day of month
- Standard pay date 23rd and 8th
  (If pay day falls on a weekend, the pay day will be the preceeding Friday)
- 24 paychecks per year

Berkeley
UNIVERSITY OF CALIFORNIA

Biweekly Pay Cycle

AUGUST						
S	M	T	W	T	F	S
					1	PPE
PPS	4	5	6	7	8	9
10	11	12	13	14	15	PPE
PPS	18	19	20	21	22	23
24	25	26	27	28	29	PPE
PPS						

7/20-8/2 paid 8/13
8/3-8/16 paid 8/27

SEPTEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	PPE
PPS	15	16	17	18	19	20
21	22	23	24	25	26	PPE
PPS	29	30				

8/17-8/30 paid 9/10
8/31-9/13 paid 9/24

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	PPE
PPS	13	14	15	16	17	18
19	20	21	22	23	24	PPE
PPS	27	28	29	30	31	

9/14-9/27 paid 10/8
9/28-10/11 paid 10/22

- Pay Period = Sunday to Saturday, 2 week period
- Standard pay date is every other Wednesday
- Overtime is included in each pay check
- 26 paychecks per year (maximum of 27)
- 80 hours per pay period

Berkeley
UNIVERSITY OF CALIFORNIA

__PPS__ = Pay Period Start, __PPE__ = Pay Period End

2014 biweekly Calendar

- BI-WEEKLY PAYDAYS
- PAY PERIOD ENDS
- BENEFITS DEDUCTION HOLIDAY (April 9, Sept. 10)
- HOLIDAYS

Non-Exempts Convert to Biweekly Nov. 1st

JANUARY

Working days in month: 23 — Working hours: 184

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY

Working days in month: 20 — Working hours: 160

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

MARCH

Working days in month: 21 — Working hours: 168

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL

Working days in month: 22 — Working hours: 176

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MAY

Working days in month: 22 — Working hours: 176

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JUNE

Working days in month: 21 — Working hours: 168

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY

Working days in month: 23 — Working hours: 184

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST

Working days in month: 21 — Working hours: 168

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER

Working days in month: 22 — Working hours: 176

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

Working days in month: 23 — Working hours: 184

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

Working days in month: 20 — Working hours: 160

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

Working days in month: 23 — Working hours: 184

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Berkeley
UNIVERSITY OF CALIFORNIA

Hourly Pay Rate

All non-exempt employees on a biweekly pay cycle will have an hourly pay rate.

Annual rate divided by 2088 to determines hourly rate
$39,000/2088*=$18.68

OR

Take your monthly rate and divide by 174
$3250/174=$18.68

*2088=174 x 12

Hourly Pay Rate Continued

Cal Time

Conversion of Pay rate

- Hourly pay rates may be rounded up a penny if new rate has a value >0 in third decimal position

$36,000/2088*=$17.241379

New rate =17.25

OR

- Flat Dollar amounts (ie. By Agreements, stipends) will be annualized and divided by 26 biweekly pay cycles to come up with a biweekly pay rate.

$1000X12/26=$461.54

*2088=174 x 12

Berkeley
UNIVERSITY OF CALIFORNIA

Payroll Deductions

Percentage and flat rate deductions

Berkeley
UNIVERSITY OF CALIFORNIA

Benefits Deductions

- Health and welfare deductions will be split between two biweekly checks (1/2 on each biweekly check).
- Fixed flat amount deductions such as parking, union dues, etc. will be split between two biweekly checks (1/2 on each biweekly check).
- Percentage amount deductions such as 403(b) and 457(b) plans, garnishments, etc. will be deducted from every biweekly paycheck

Benefits Deduction Holidays

- There are two times a year when flat dollar deductions are not deducted from an employees paycheck. These paydays are referred to as benefits deduction holidays.

- A benefits deduction holiday occurs on the 1st payday following the month in which three pay period end dates occur.

- The deduction holidays in 2015 will be February 11th and September 9th. They can be identified on the biweekly payroll calendar by the bold black square surrounding the date. The biweekly payroll calendar is available at http://controller.berkeley.edu/biweekly-pay-conversion

Benefits Deduction During Transition

Current Process (Benefits are deducted once per month)		
Pay Cycle	**Pay Date**	**Benefits Paid**
Monthly	10/31 (1st is on a Saturday so pay day will be preceding Friday)	November
Monthly Arrears	11/7 (8th is on a Saturday so pay day will be preceding Friday)	November
Semi-monthly	11/7 (8th is on a Saturday so pay day will be preceding Friday)	November
After Conversion Process (Benefits are split between two biweekly checks)		
Biweekly	11/19 Split between the first two biweekly checks in the month (1/2 on each biweekly check)	½ December Premium
Biweekly	12/3	½ December Premium

Berkeley
UNIVERSITY OF CALIFORNIA

Moving Forward

How does this impact me?

Berkeley
UNIVERSITY OF CALIFORNIA

Non Exempt Employee View

- Paid more frequently (every other Wednesday)
- Consistently have an 80 hour pay period
- Pay ½ monthly benefit premiums on each biweekly paycheck
- Receive overtime more timely
- Monthly pay rate is converted to an hourly rate
- Vacation accrual is based on a factor accrual rate

Employee Preparation

Getting ready for the biweekly Conversion

Berkeley
UNIVERSITY OF CALIFORNIA

Employee Perspective

- Start early and plan ahead
- Review personal budget situation and determine income needs based on the new biweekly pay schedule.
- Review tax withholding elections and make any necessary changes especially additional tax withholding amounts.
- Request that creditors/lenders/financial institutions adjust automatic withdrawal or bill-pay dates to align with new pay schedule.

Analyze Cash Flow

- Employees will receive pay more frequently however the check amount will be less (80 hr. pay period).
- Employees will receive 26* biweekly paychecks in a year (currently receiving 12 paychecks in a year)
- 10 months per year employees will receive 2 paychecks per month
- 2 months per year employees will receive 3 paychecks per month

Employee will continue to receive pay for all time reported recognizing that pay period and pay dates are changing. Hours and associated pay will not be lost.

*maximum of 27 pay cycles in a year

September 2014 Cash Flow for a Monthly Employee

Monthly (paid on 1st or 8th)		
Pay Period	**Pay date**	**Financial Impact**
Oct. 1 – Oct. 31	Oct. 31* or Nov. 7*	Employee will receive a full months pay and also pay full November benefits/deductions. *11/1 is on a Saturday, payday will be the preceding Friday
Nov. 1-Nov. 8	Nov. 19	1st biweekly pay period (40 hour work period). Employee will pay half of December benefits/deductions. *This check will be smaller than usual because you have been paid on 10/31 or 11/7 for a portion of the biweekly pay period (10/26-10/31).* *Transition assistance paid on this check*
Nov. 9-Nov. 22	Dec. 3	2nd biweekly pay period (80 hour work period). Employee will pay half of December benefits/deductions.
Nov. 23-Dec. 6	Dec. 17	3rd biweekly pay period (80 hour work period). Pay ½ January benefits/deductions.
Dec. 7-Dec. 20	Dec. 30	3rd biweekly pay period (80 hour work period). Pay ½ January benefits/deductions.

BIWEEKLY PAY

Transition assistance loan repayment will not begin until 2/11/15

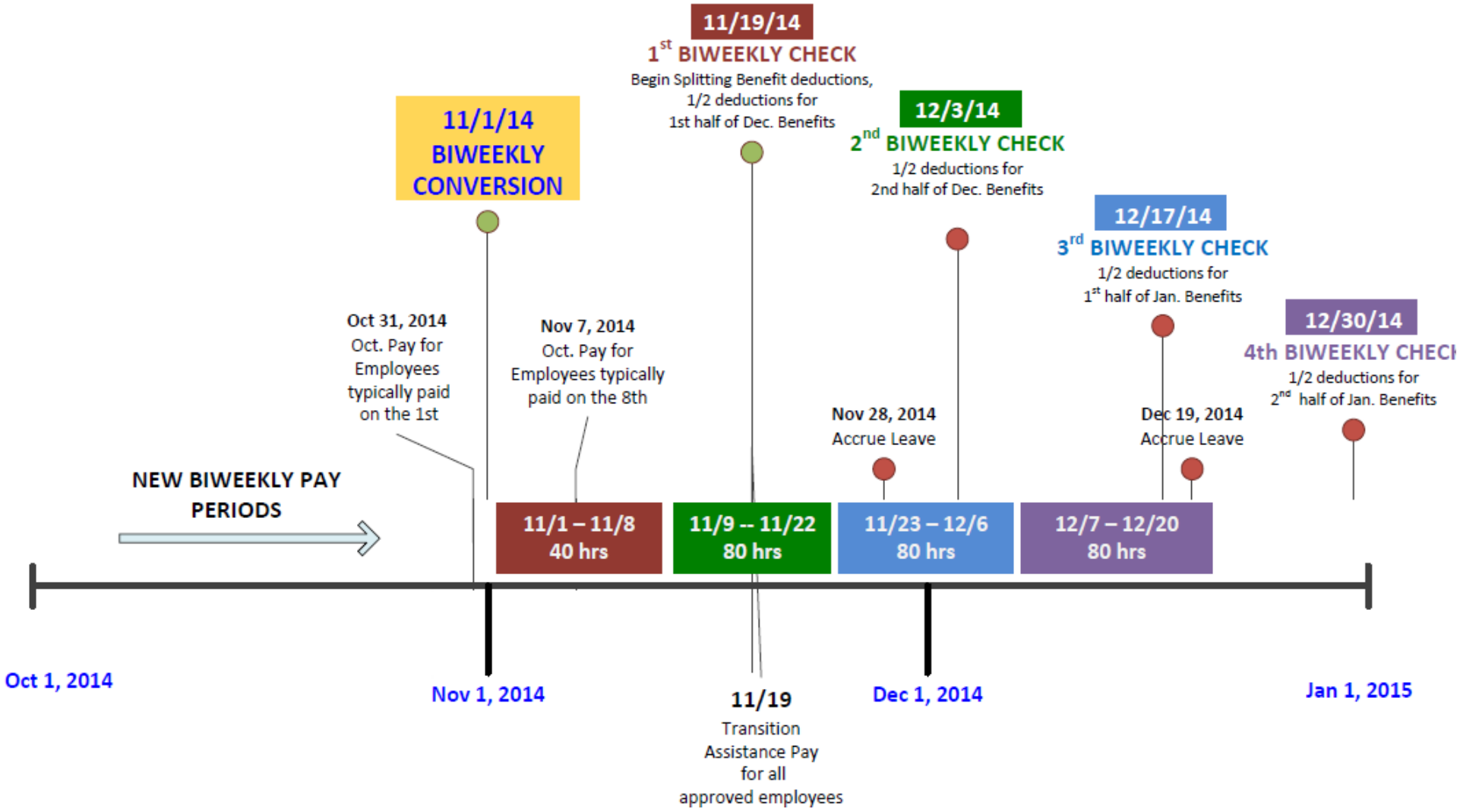
September 2014 Cash Flow for a Semi-monthly Employee

Semi-Monthly (paid 8th)		
Pay Period	**Pay date**	**Financial Impact**
Oct. 16 – Oct. 31	Nov. 7*	Employee will receive a full semi-monthly pay and also pay full November benefits/deductions. *11/1 is on a Saturday, payday will be the preceding Friday
Nov. 1-Nov. 8	Nov. 19	1st biweekly pay period (40 hour work period). Employee will pay half of December benefits/deductions. *This check will be smaller than usual because you have been paid on 10/31 or 11/7 for a portion of the biweekly pay period (10/26-10/31).* *Transition assistance paid on this check*
Nov. 9-Nov. 22	Dec. 3	2nd biweekly pay period (80 hour work period). Employee will pay half of December benefits/deductions.
Nov. 23-Dec. 6	Dec. 17	3rd biweekly pay period (80 hour work period). Pay ½ January benefits/deductions.
Dec. 7-Dec. 20	Dec. 30	3rd biweekly pay period (80 hour work period). Pay ½ January benefits/deductions.

BIWEEKLY PAY

Transition assistance loan repayment will not begin until 2/11/15

Employee Transition to Biweekly Pay



Berkeley
UNIVERSITY OF CALIFORNIA

Financial Tools

- Biweekly Conversion Calculator
- Biweekly Pay Planner
- Analyze Cash Flow

Details are available on biweekly website

Transition Assistance Program

To assist employees with the transition to biweekly pay, a Transition Assistance Program will be available for eligible non-exempt employees.

Employees can apply for transition assistance during the period of September 22 to October 3.

The Transition Assistance Program will include an option for eligible employees to access one, or both, of the following:

- Short-term, no interest loan of $100 to $1,000 from the university
- Cash out of up to 80 hours of leave from employee's existing accrued vacation time and/or accrued compensatory time

VACATION/COMP TIME PAYOUT

Description	Cash out from employee's existing accrued vacation and/or compensatory time
Who is Eligible?	Any non-exempt career, contract, limited and per diem employee converting to biweekly and meets the following criteria: - Employee appointment ≥ 50% - Employment status of "Active" - Hired prior to 10/03/14 - Employee has existing accrued vacation/comp time
How much	Up to 80 hours (hours are subject to verification of actual vacation/comp time employee has accrued)
Program Request Period	09/22/14-10/03/14
Terms of Participation	Maximum of one request per eligible employee for a no interest loan and/or vacation/comp time cash out during the program request period
Process	Employee must complete, sign and submit the Transition Assistance Program application to Human Resources by close of business day on 10/03/14.
Disbursement Schedule	Vacation/comp time accrual cash-out will be paid on November 19, 2014
Method of Disbursement	Payment will be made by Central Payroll via employees current payment option, e.g, direct deposit or paper check

NO INTEREST LOAN

Description	Short-term, no interest loan from the University through a newly created Transition Assistance Program
Who is Eligible?	Any non-exempt career, contract, limited and per diem employee converting to biweekly and meets the following criteria: - Employee appointment ≥ 50% - Employment status of "Active" - No known separation by 05/06/15 - Hired prior to 10/03/14
How much	Minimum: $100 Maximum: $1,000
Program Request Period	09/22/14-10/03/14
Terms of Participation	Maximum of one request per eligible employee for a no interest loan and/or vacation /comp time cash out during the program request period
Process	Employee must complete, sign and submit the Transition Assistance Program application to Human Resources by close of business day on 10/03/14
Disbursement Schedule	Paid on 11/19/14
Terms of Repayment	• Via payroll deduction • First installment repayment will be deducted on 02/11/15 • Paid in equal installments per biweekly pay cycle. Entire loan balance must be repaid by 07/15/15 (12th biweekly pay days starting with the 2/11/15 pay date). Repayment formula: Loan amount/12 biweekly pay cycles = amount per biweekly pay day

Staying Informed

Berkeley
UNIVERSITY OF CALIFORNIA

How to Prepare

A variety of informational resources are available to assist employees through this transition process.

- biweekly information web page
- biweekly Pay Quick Facts
- 2014 biweekly Pay Date Calendar
- Employee Checklist
- 2014 biweekly Pay Planner
- biweekly Conversion Calculator
- FAQ (biweekly pay, transition assistance, factor accrual)
- Factor Leave Accrual Information

All information is available at http://controller.berkeley.edu/biweekly-pay-conversion

Factor Leave Accruals

Accruing Vacation and Sick Leave

Berkeley
UNIVERSITY OF CALIFORNIA

Factor Leave Accruals

As part of the transition of non-exempt employees to biweekly pay, the UC Office of the President also requires standardization of how leave accruals are calculated across UC campuses.

Both Non-exempt and Exempt* employees eligible to accrue leave will transition to factor leave accruals on November 1, 2014

* All employees in Academic job titles will remain on the table leave accrual method

Berkeley
UNIVERSITY OF CALIFORNIA

Calculation

Factor leave accrual is a method of accruing vacation and sick leave. The factor accrual method uses a factor rate* multiplied against the hours an employee is on pay status in order to calculate vacation and sick leave accruals.

Factor Rate* X **Hours on Pay Status** = **Amount of Accrued leave**

*Standard Factor Rate table defined

Berkeley
UNIVERSITY OF CALIFORNIA

Eligibility

Eligibility requirements for leave accruals will continue to be based on union contracts and policy as is the practice today.

- Employee is assigned a leave code based on the number of years service and leave eligibility

- Leave accrued is determined by:
  - Number of hours an employee is on pay status (i.e. Regular time worked, vacation)
  - Leave accrual rate

Factor Rate Table

Current State: The rate represents the exact amount a full time employee is eligible to accrue each month based on the leave code*.

Future state: The rate represents the factor rate that must be multiplied against the hours the employee is on pay status to determine the amount of leave accrued.

	Current State: Current Table Method		Future State: Factor Accrual Method	
LEAVE CODE	VACATION	SICK LEAVE	VACATION	SICK LEAVE
A	10	8	0.057692	0.046154
B	12	8	0.069231	0.046154
C	14	8	0.080769	0.046154
D	16	8	0.092308	0.046154
E	16	0	0.092308	0
F	0	8	0	0.046154
G	10	8	0.057692	0.046154
H	12	8	0.069231	0.046154
J	14	8	0.080769	0.046154
K	16	8	0.092308	0.046154

*leave codes are assigned based on eligibility

Exempts and Non-Exempts

Slight variation in factor accrual processing for Exempts and Non-Exempts

	Non-Exempt Employee	Exempt Employee
Eligibility	Eligibility to accrue and use leave is subject to union contract or personnel policy.	
Period of Accrual	quadra-weekly cycle (two biweekly pay cycles, 160 hour period)	Calendar Month (based on number of working hours in the calendar month)
Calculation	Factor rate X hours on pay status (during two biweekly pay cycles, 160 hours)	Factor Rate X hours on pay status during calendar month
Factor Rate	Factor rate is assigned based on employees number of years of service	
Accrual Granted	The business day following the close of the quadra-weekly cycle (two biweekly pay cycles)	1st of the month following the close of the calendar month (monthly pay period)

Exempt Employee Example

Example: A full-time employee that accrues 10 hours of vacation and 8 hours of sick leave per month
Example based on Vacation Factor rate = .057692 and sick leave factor rate =.046154)

Employee will accrue leave based on actual working hours in the calendar month.
During the course of the year a full-time employee will accrue the same.

	CURRENT Table Method			FUTURE Factor Method		
	Hrs Per Month	VAC	SL	Hrs Per Month	VAC	SL
Jan	184	10	8	184	10.615328	8.492340
Feb	160	10	8	160	9.230720	7.384640
Mar	168	10	8	168	9.692256	7.753872
Apr	176	10	8	176	10.153792	8.123104
May	176	10	8	176	10.153792	8.123104
Jun	168	10	8	168	9.692256	7.753872
Jul	184	10	8	184	10.615328	8.492340
Aug	168	10	8	168	9.692256	7.753872
Sep	176	10	8	176	10.15379	8.123104
Oct	184	10	8	184	10.61533	8.492340
				Transition to Factor Accruals		
Nov	160	10	8	160	9.23072	7.384640
Dec	184	10	8	184	10.61533	8.492340
Annual Leave Accrued:		120	96		120	96

In the future state:
Exempt Employees will accrue more in some months

Non-Exempt Employee Example

Example: A full-time employee that accrues 10 hours of vacation and 8 hours of sick leave per month
Example based on Vacation Factor rate = .057692 and sick leave factor rate =.046154)

Employee will accrue leave on a standard quadra-weekly cycle (two biweekly pay cycles, 160 hours). During the course of the year a full-time employee will accrue the same.

Pay cycle	Hours Paid	Vacation Accrued	Sick Leave Accrued
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640
B1	80		
B2 quadra-weekly	80	9.230720	7.384640

13 quadra-weekly cycles in the year.
13 * 9.230720 = 120 Vacation
13* 7.384640 = 96 Sick Leave

Transition Period

	Non-Exempt Employee	Exempt Employee
October	Employee will accrue leave based on Table method for 10/1-10/31 on 10/31	Employee will accrue leave based on Table method for 10/1-10/31 on 10/31
November	Employee will accrue leave based on factor leave rate for 11/1 – 11/8 pay period 11/9 – 11/22 pay period On 11/28	Employee will accrue leave based on factor leave rate for 11/1-11/30 pay period On 12/1

Resources

Biweekly pay and factor leave accrual information is available on the Central Payroll website at:
http://controller.berkeley.edu/biweekly-pay-conversion

CalTime time reporting information is available at
http://caltime.berkeley.edu/

For questions:
Email caltime@berkeley.edu