

# Transition to biweekly payroll begins Sept. 21



FROM THE FINANCE DIVISION

COMMUNICATIONS BRIEF – APRIL 15, 2019

## INTRODUCTION

The University is responsible for promptly and accurately compensating employees. To better meet regulatory requirements and align the University with its peers, effective September 21, 2019 all non-exempt salaried staff will transition to the hourly biweekly payroll. The current “non-exempt salaried” semimonthly payroll will be eliminated.

Overtime pay must be determined on a weekly basis for non-exempt employees. The biweekly payroll, paid on alternating Fridays, aligns much better for calculating overtime on a weekly basis. The University’s existing electronic time and attendance tool, UltraTime, provides a convenient and efficient method for reporting all hours and absences.

## TRANSITIONING NON-EXEMPT SALARIED STAFF TO THE BIWEEKLY PAYROLL

Currently, the University pays most non-exempt employees on the biweekly payroll, which has 26 pay dates per year and where time and attendance is recorded electronically in UltraTime. Some non-exempt employees are paid on the salaried, semimonthly payroll, which has 24 pay dates per year; those employees report absences and overtime on a paper form.

When this transition becomes effective, impacted employees will receive the same annual base pay and annual vacation benefit. However, each biweekly gross pay amount and vacation accrual will be slightly lower because it will be spread over 26 payrolls rather than the current 24.

Detailed calendars showing the exact pay dates during this transition are available on the [payroll website](#).

All non-exempt employees who were formerly on the semimonthly, salaried payroll will begin to record hours using the UltraTime time keeping system, which automatically tracks and calculates overtime based upon hours worked. Absences will also be recorded electronically and vacation and sick balances will be updated automatically.

Supervisors will approve all hours and absences directly in the UltraTime system.

Effective September 21, 2019, all non-exempt, salaried employees will be paid on the biweekly payroll.

- This is a change in pay frequency and the method of reporting hours.
- There is no change in job position, title or responsibilities.
- There is no reduction in annual base pay and benefits.
- Employees will enter hours and absences electronically in Ultra Time.
- Supervisors will ensure the accuracy and approve hours and absences.
- Additional communications and resources will be available from Payroll Services throughout the transition.

## FREQUENTLY ASKED QUESTIONS (FAQs)

### *Will this transition affect vacation accruals?*

Employees will receive the same annual vacation benefit. Similar to pay, each biweekly vacation accrual will be slightly lower as it is earned over 26 payrolls rather than 24.

For example, an employee who earns 80 hours of vacation annually will accrue 3.08 hours each of the 26 payrolls rather than 3.34 hours each over 24.

### *Will insurance benefits change?*

No. Insurance benefit deductions remain exactly the same and are applied twice per month, similar to the semimonthly payroll. In two months of the year, the employee will have three pay dates. In these two months, insurance benefits will not be deducted from the third pay date.

### *Will this transition affect retirement plans?*

Employees will receive their same annual retirement benefits. Similar to payment and vacation accruals, retirement deductions will be prorated over 26 payrolls instead of 24.

(FAQs continued on next page)

### ***Is this change a demotion of certain positions?***

No. This merely changes the pay frequency and the method of tracking hours. In other words, it changes how employees are paid, not how much they are paid. There is no change in position, title or responsibilities. Annual base pay and annual vacation benefits remain the same.

### ***Does this affect work schedules?***

When and where an employee works is a decision made by each department/supervisor and will not need to be adjusted as a result of this change.

### ***What is the difference between exempt and non-exempt positions?***

Employees are classified as either exempt or non-exempt based upon the type of work they perform and the salary they are paid. The University must apply the standards set forth in the Fair Labor Standards Act (FLSA) to classify every job as being exempt or non-exempt.

Employees in non-exempt positions are eligible for overtime and must record and track all hours worked. Any time worked in excess of 40 hours in a work week must be paid at a premium overtime rate.

Exempt positions are **not** required to be paid for overtime regardless of how many hours per week the employee works. Exempt positions do not require the recording and tracking of hours worked as they are “exempt” from overtime under the FLSA regulations.

### ***Will there be training available on the UltraTime system?***

Options will be available closer to the September transition date, including classes, short training videos, and quick reference guides on the Payroll website.

### ***Must impacted employees report hours on a time clock?***

No, the UltraTime system has two methods for tracking hours. Using an ID card at a time clock to record actual in and out times is just one method. Those electing to enter hours via a PC or laptop have the flexibility of entering total hours worked within the two-week period for supervisor approval. Payroll will collaborate with

departments on which time recording method works best for their specific situation.

### ***Will employees be paid if they forget to record hours?***

The employee and their supervisor are to ensure hours are entered accurately and approved. Pay is based on hours entered in UltraTime. Reminders will be emailed to both the employee and the supervisor, if needed.

### ***Will there be additional communications forthcoming?***

Payroll and Human Resources will hold information sessions for impacted employees and supervisors. Additional details will be communicated about those sessions and more information will be provided about training opportunities as the September transition date approaches.

### ***What if I still need more assistance?***

Dedicated resources are available to support the transition. More information will be forthcoming in the following weeks.

## **FOR MORE INFORMATION**

For additional information, please contact Payroll Services, or visit the [payroll website](#).

Payroll Services: 631-7575 | [payroll@nd.edu](mailto:payroll@nd.edu)