



**BALL STATE  
UNIVERSITY**

# **PAYROLL STANDARDIZATION**

Transitioning from Monthly to Biweekly Pay on January 1, 2019



# Why?

- There are several reason why the University decided to standardize their payroll processes:
  - System Security
  - Administrative Efficiencies & Best Practice
  - Best Practice – several universities have already moved to biweekly payrolls.
  - Direct Deposit has removed cost constraints
  - Reduces the variations of payroll and benefit deductions, making it easier to communicate to employees.
  - Several benefits to University employees



# Benefits of a Biweekly Pay Cycle

- You will have access to your funds more quickly.
- Deposits into your Health Savings and Flexible Spending (Dependent Care) accounts will happen biweekly, giving you access to your funds sooner.
- Contributions to retirement plan accounts will happen biweekly, allowing them to be invested sooner.
- Missed payments will be processed on the next biweekly check instead of waiting on the next monthly pay cycle.
- New employees will receive their first pay check in a shorter timeframe.



# When is this change occurring?

- The transition from a monthly pay cycle to a biweekly pay cycle for Professional, Faculty, and Exempt Staff will take effect January 1, 2019. As part of the transition, you will receive your final monthly check on December 31, 2018 and receive your first biweekly check on January 4, 2019. After that timeframe, you will be paid biweekly.



# How does this change impact me?

- Going from a monthly to a biweekly pay cycle will initially look and feel different. When budgeting, you will need to think about cash inflow on a biweekly basis.

# 12 Month Employee

- If your annual salary is \$35,000 per year:
  - Your monthly gross pay is \$2,916.67 (\$35,000 per year / 12 monthly pays)
  - Your biweekly gross pay for the remainder of the 2018-19 fiscal year is \$1,250.00 (\$35,000 per year / 2 (one half year)/14 (pay periods in the second half of fiscal year)).
- Even though the biweekly pay is less, you will receive it more frequently. This changes your cashflow throughout the month.
- As you can see from the chart on the right, by the third biweekly check you'll experience increased cashflow which means you'll have access to your cash faster.

		Historical	New
Pay Day		Monthly Pay	Biweekly Pay
4-Jan-19	1st Biweekly		\$ 1,250.00
18-Jan-19	2nd Biweekly		\$ 1,250.00
31-Jan-19	Old Monthly	\$ 2,916.67	
1-Feb-19	3rd Biweekly		\$ 1,250.00
Total Income through 2/1/19		\$ 2,916.67	\$ 3,750.00
Increased Cashflow as of 2/1/19			\$ 833.33



# 12 Month Employee – Cashflow Comparison

Biweekly Payroll Starts 1/1/2019 - Cashflow Comparison							
12 Month Employee:							
Annual Salary - Enter Your Salary Amount				\$ 35,000.00			
FY 18-19 Fall Monthly Salary - 6 Pays in Fall				\$ 2,916.67			
FY 18-19 Spring Biweekly Salary - 14 Pays in Spring				\$ 1,250.00			
FY19-20 Biweekly Salary - 26 Pays				\$ 1,346.15			
Fiscal Year	Monthly Pay Date	Monthly Pay	Biweekly Pay Date	Biweekly Pay	Monthly Cumulative	Biweekly Cumulative	Cash Flow Difference
FY18-19	31-Jul-18	\$ 2,916.67			\$ 2,916.67	\$ 2,916.67	
FY18-19	31-Aug-18	\$ 2,916.67			\$ 5,833.33	\$ 5,833.33	
FY18-19	28-Sep-18	\$ 2,916.67			\$ 8,750.00	\$ 8,750.00	
FY18-19	31-Oct-18	\$ 2,916.67			\$ 11,666.67	\$ 11,666.67	
FY18-19	30-Nov-18	\$ 2,916.67			\$ 14,583.33	\$ 14,583.33	
FY18-19	31-Dec-18	\$ 2,916.67			\$ 17,500.00	\$ 17,500.00	
FY18-19			4-Jan-19	\$ 1,250.00	\$ 17,500.00	\$ 18,750.00	\$ 1,250.00
FY18-19			18-Jan-19	\$ 1,250.00	\$ 17,500.00	\$ 20,000.00	\$ 2,500.00
FY18-19	31-Jan-19	\$ 2,916.67			\$ 20,416.67	\$ 20,000.00	\$ (416.67)
FY18-19			1-Feb-19	\$ 1,250.00	\$ 20,416.67	\$ 21,250.00	\$ 833.33
FY18-19			15-Feb-19	\$ 1,250.00	\$ 20,416.67	\$ 22,500.00	\$ 2,083.33
FY18-19	28-Feb-19	\$ 2,916.67			\$ 23,333.33	\$ 22,500.00	\$ (833.33)
FY18-19			1-Mar-19	\$ 1,250.00	\$ 23,333.33	\$ 23,750.00	\$ 416.67



# 10 Month Employee

- If your annual salary is \$35,000 per year:
  - Your monthly gross pay is \$3,500.00 (\$35,000 per year / 10 monthly pays)
  - Your biweekly gross pay is \$1,750.00 (\$35,000 per year / 20 biweekly pays).
- Even though the biweekly pay is less, you will receive it more frequently, thus increasing your cashflow throughout the month.
- As an added bonus, you will only have benefit deductions on 18 of your 20 biweekly pays.
- As you can see from the chart on the right, by the third biweekly check you'll experience increased cashflow which means you'll have access to your cash faster.

		Historical	New
Pay Day		Monthly Pay	Biweekly Pay
4-Jan-19	1st Biweekly		\$ 1,750.00
18-Jan-19	2nd Biweekly		\$ 1,750.00
31-Jan-19	Old Monthly	\$ 3,500.00	
1-Feb-19	3rd Biweekly		\$ 1,750.00
Total Income through 2/1/19		\$ 3,500.00	\$ 5,250.00
Increased Cashflow as of 2/1/19			\$ 1,750.00





# 10 Month Employee – Cashflow Comparison

Biweekly Payroll Starts 1/1/2019 - Cashflow Comparison							
10 Month Employee:							
Annual Salary - Enter Your Salary Amount				\$	35,000.00		
FY 18-19 Fall Monthly Salary - 6 Pays in Fall				\$	3,500.00		
FY 18-19 Spring Biweekly Salary - 10 Pays in Spring				\$	1,750.00		
FY19-20 Biweekly Salary - 20 Pays				\$	1,750.00		
Fiscal Year	Monthly Pay Date	Monthly Pay	Biweekly Pay Date	Biweekly Pay	Monthly Cumulative	Biweekly Cumulative	Cash Flow Difference
FY18-19	31-Aug-18	\$ 3,500.00			\$ 3,500.00	\$ 3,500.00	
FY18-19	28-Sep-18	\$ 3,500.00			\$ 7,000.00	\$ 7,000.00	
FY18-19	31-Oct-18	\$ 3,500.00			\$ 10,500.00	\$ 10,500.00	
FY18-19	30-Nov-18	\$ 3,500.00			\$ 14,000.00	\$ 14,000.00	
FY18-19	31-Dec-18	\$ 3,500.00			\$ 17,500.00	\$ 17,500.00	
FY18-19			4-Jan-19	\$ 1,750.00	\$ 17,500.00	\$ 19,250.00	\$ 1,750.00
FY18-19			18-Jan-19	\$ 1,750.00	\$ 17,500.00	\$ 21,000.00	\$ 3,500.00
FY18-19	31-Jan-19	\$ 3,500.00			\$ 21,000.00	\$ 21,000.00	\$ -
FY18-19			1-Feb-19	\$ 1,750.00	\$ 21,000.00	\$ 22,750.00	\$ 1,750.00
FY18-19			15-Feb-19	\$ 1,750.00	\$ 21,000.00	\$ 24,500.00	\$ 3,500.00
FY18-19	28-Feb-19	\$ 3,500.00			\$ 24,500.00	\$ 24,500.00	\$ -



# 10 Month Employee – Deferred Pay Option

- Once the transition from monthly to biweekly occurs, HR and Payroll are committed to testing and eventually offering 10 month employees a deferred payment option.
- Deferred Pay Option could start as soon as August 2019 for our 10 month employees.

# Can I opt out of biweekly pay?

- All employees will be transitioned to biweekly payroll starting in January 2019, there is not an opt out option.

# What do YOU need to do?

- Prior to January, you will need to review your personal elections on deposits, auto payments, and billing cycles such as the setup on the following items:
  - **Review your Personal Budgets** – Being paid biweekly will look and feel different at first. Learn how to transition your budget from a monthly basis to a biweekly basis.
  - **Direct Deposit Allocation** - If you currently deposit \$1000 to a saving account monthly, you may want to consider changing it to \$460 biweekly ( $\$1000 \text{ per pay} \times 12 \text{ monthly pays per year} = \$12,000 / 26 \text{ biweekly pays} = \$461.54$ ).
  - **Automatic Payments** – If you currently have any automatic payments scheduled, do any of the dates need to be changed?
  - **Utility Billing Cycles** – if you are concerned that all your bills are due at the same time of the month (like the first of the month), you can call to see if you can request a different billing cycle.
  - **Federal W-4** – If you currently elect “additional withholdings” on your W-4, do you need to adjust the additional amount?



# What do YOU need to do continued...

- On December 31, 2018 (and going forward) you will begin submitting your Kronos leave reports on a biweekly basis.
  - Currently, you report your leave on the 21<sup>st</sup> of the month for a portion of the current month and a portion of the previous month.
  - Following the transition, you will submit your leave (time off) report every Monday immediately following the pay period during which the time off was taken.
  - In departments where the Kronos Manager enters your time, please make sure you provide your time off on a biweekly basis. There will be employee as well as Kronos Manager training and additional information provided closer to the implementation date.



# What other changes are there to consider?

- Will my leave accruals change?
  - No. Faculty, Professional, and Exempt Staff will still receive their vacation and sick accruals upfront on 7/1/18 and be required to use them by 8/31/2019.
- Will my position number change?
  - No. All pay IDs and position numbers will remain the same.

# How is this change going to occur?

- During the annual Open Enrollment session, you will elect your benefits and be given biweekly rates. The elections you make during open enrollment will move over to Banner.
- Your other voluntary deductions like parking, rec services, athletics, etc. will be recalculated automatically to biweekly rates.

# Is there help available?

- The Office of University Human Resource Services in conjunction with the Office of Payroll and Employee Benefits will be offering Open Forums to address your questions on the following dates.
- There is also an Employee Assistance Program that offers a free 30 minute financial health consultation and several online resources via Lifeworks – [LifeWorks Wellness Tools for Employees - Ball State University](#).
- Don't forget to check out the [Payroll Standardization website](#) and the interactive Cashflow Comparison Tool.
- Kate Stoss, [kpstoss@bsu.edu](mailto:kpstoss@bsu.edu), 765-285-1847
- Shana Rogers, [slrogers2@bsu.edu](mailto:slrogers2@bsu.edu), 765-285-6714





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# QUESTIONS?

Thank you for attending  
the Employee Forum.





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