

Welcome

Payroll Change Project
Town Hall Meeting

May 17, 2021

Town Hall Meeting starts at 1:00 pm

Payroll Change Project Single Payroll

This session is open to employees who are paid monthly to explain the new pay period and payroll schedule, describe how benefits deductions will be made, and answer your questions about the change.

<https://uwservice.wisconsin.edu/single-payroll>

Payroll Change Project Single Payroll

All mics are muted

You can enter questions in Q&A

Questions will be answered after the presentation

Presentation will be recorded

Presentation and slides will be posted on the project website

Today's Presenters



Dan Chanen

Interim Associate Vice President and
Chief Human Resource Officer

UW System Administration



Jenny Hanewall

Interim Asst. Director of Customer
Support and Service Delivery

UW-Shared Services

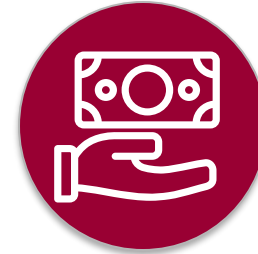
Today's Agenda



What is the project



How this benefits you



How the change affects
your paychecks in 2021



What you need to do



Questions from Chat



What is the project

Standardize UW System payroll with two components:

- 1. Move all employees to the biweekly payroll schedule beginning July 2021**
2. Evenly split most benefit deductions over the biweekly paychecks (transition completed April 2021)



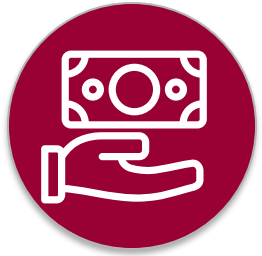
Why are we doing this project?

- Simplify and standardize institutional payroll processes
- Simplify communications about payroll procedures
- Aligns with UW System Operational Excellence goal of *2020FWD Strategic Framework*



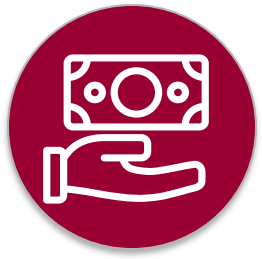
How this will benefit you

- Biweekly payroll is more frequent
- Receive your pay the same day each pay period (Thursday)
- First academic year paycheck date is in September instead of October
- Administrative simplification supports ongoing efficiencies



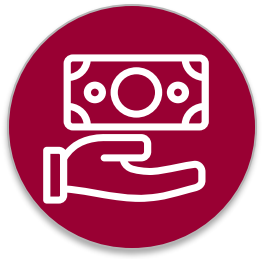
Monthly to biweekly process change

- Currently you are paid at the end of the month for the month you just worked.
- When we move to the biweekly pay schedule, you will be paid every other Thursday for the two-week period that ended 12 days before each pay date.
- You will get fully paid for the entire length of your employment based on the biweekly payroll calendar.



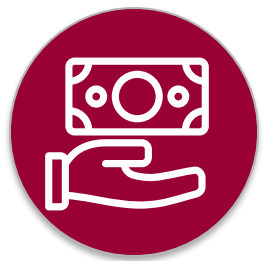
July transition month for annual (12-month) contract employees

- Annual employees will receive a partial monthly paycheck on July 30 that covers the period from July 1 through July 17.
- The July 30 paycheck will be less than your prior monthly paychecks.
- The following **will be** deducted from this paycheck:
 - Benefits deductions (insurances), Wisconsin Retirement System (WRS), UW Tax-Sheltered Annuity (TSA) 403(b), Wisconsin Deferred Compensation (WDC) 457, Health Savings Plan (HSA), Flexible Spending Account (FSA)



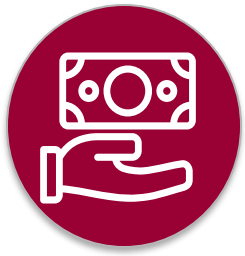
July transition month for academic year (9-month) employees with summer contracts

- Academic year employees who have a summer contract will receive a full paycheck on July 30 based on their summer contract dates.
- Benefits deductions (insurances) and Wisconsin Retirement System (WRS) will be deducted from this paycheck. Normal prepay process will be applied to premiums where applicable.
- UW Tax-Sheltered Annuity (TSA) 403(b), Wisconsin Deferred Compensation (WDC) 457, Health Savings Plan (HSA) and Flexible Spending Account (FSA) will not be deducted from this paycheck.



First biweekly paycheck – August 12

- The first biweekly paycheck will be on August 12, for the July 18 - July 31 pay period.
 - Note: Summer payments will be paid according to the employment contracts. Contact your local HR office if you have questions on summer calendar dates and pay impacts.
- Benefits deductions (insurances), FSA and HSA will not be deducted from this paycheck.
- WRS, TSA and WDC contributions will be deducted from all biweekly paychecks including summer paychecks.

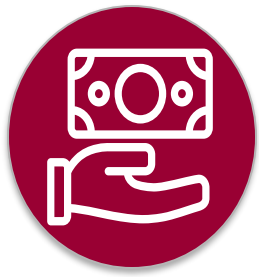


Next biweekly paycheck – August 26

- The next biweekly paycheck will be on August 26, for the August 1 - August 14 pay period.
 - Note: Summer payments will be paid according to the employment contracts. Contact your local HR office if you have questions on summer calendar dates and pay impacts.
- Benefits deductions (insurances) will be deducted from this paycheck. Prepays will be applied to premiums where applicable.
- FSA and HSA will begin on the biweekly cycle with this paycheck.
- WRS, TSA and WDC contributions will be deducted from all biweekly paychecks including summer paychecks.

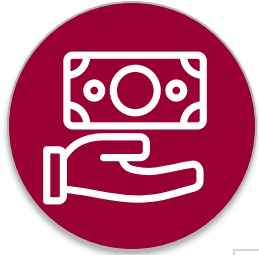
Use the Paycheck Estimator to estimate biweekly earnings found on the Single Payroll website at:

<https://uwservice.wisconsin.edu/single-payroll>



Academic Year 2021-2022

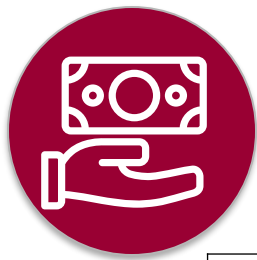
- Academic year contract employees with a start date between August 15 and August 28, 2021, will receive their first biweekly paycheck September 9, 2021.
 - Benefits deductions (insurances) will be deducted from this paycheck. Prepays will be applied to premiums where applicable.
- For UW-Oshkosh & UW-La Crosse: Academic year contract employees with a start date of August 29, 2021, or later will receive their first biweekly paycheck September 23, 2021.
 - Benefits deductions (insurances) will be deducted from this paycheck.
- WRS, TSA and WDC contributions will be deducted from all biweekly paychecks.



12-month vs biweekly conversion example

12 Month Employee										
Annual salary:	\$60,000									
	Monthly Payroll					Biweekly Payroll				
	<u>Pay Checks</u>	<u>Monthly Pay</u>	<u>Pay Date</u>			<u>Pay Checks</u>	<u>Monthly Pay</u>	<u>Pay Dates</u>		
July	1	\$ 5,000.00	30-Jul		Partial month	1	\$ 2,741.94	30-Jul		
August	1	\$ 5,000.00	1-Sep			2	\$ 4,615.38	12-Aug	26-Aug	
September	1	\$ 5,000.00	1-Oct			2	\$ 4,615.38	9-Sep	23-Sep	
October	1	\$ 5,000.00	1-Nov			2	\$ 4,615.38	7-Oct	21-Oct	
November	1	\$ 5,000.00	1-Dec			2	\$ 4,615.38	4-Nov	18-Nov	
December	1	\$ 5,000.00	1-Jan			3	\$ 6,923.08	2-Dec	16-Dec	30-Dec
January	1	\$ 5,000.00	1-Feb			2	\$ 4,615.38	13-Jan	27-Jan	

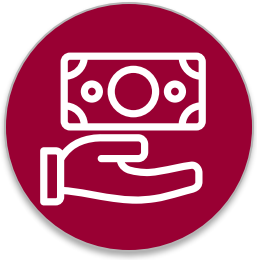
- Monthly payroll pays for entire month (\$5,000)
- Biweekly payroll pays for a two-week period
 - Two paychecks per month (\$4,615.38)
 - Three biweekly paychecks per month twice a year (\$6,923.08 in December)
- \$60,000 annual salary will be paid in full based on the biweekly payroll calendar



9-month vs biweekly conversion example

9 Month Contract									
Academic salary:	\$ 54,000.00					Academic Year: 8/23/2021 - 5/22/2022			
	Monthly Pay				Biweekly Pay				
	<u>Pay Checks</u>	<u>Monthly Pay</u>	<u>Pay Date</u>		<u>Pay Checks</u>	<u>Monthly Pay</u>			
August	0	\$ -			0	\$ -			
September	1	\$ 6,000.00	1-Oct		2	\$ 4,153.85	9-Sep	23-Sep	
October	1	\$ 6,000.00	1-Nov		2	\$ 5,538.46	7-Oct	21-Oct	
November	1	\$ 6,000.00	1-Dec		2	\$ 5,538.46	4-Nov	18-Nov	
December	1	\$ 6,000.00	1-Jan		3	\$ 8,307.69	2-Dec	16-Dec	30-Dec
January	1	\$ 6,000.00	1-Feb		2	\$ 5,538.46	13-Jan	27-Jan	
February	1	\$ 6,000.00	1-Mar		2	\$ 5,538.46	10-Feb	24-Feb	
March	1	\$ 6,000.00	1-Apr		2	\$ 5,538.46	10-Mar	24-Mar	
April	1	\$ 6,000.00	1-May		2	\$ 5,538.46	7-Apr	21-Apr	
May	1	\$ 6,000.00	1-Jun		2	\$ 5,538.46	5-May	19-May	
June	0	\$ -			1	\$ 2,769.23	2-Jun		
Total	9	\$ 54,000.00			20	\$ 54,000.00			

- Monthly payroll pays for entire month (\$6,000)
- First and last paychecks may be prorated based on academic year workdays in the pay period (varies by institution)
- Biweekly payroll pays for a two-week period
 - Two paychecks per month (\$5,538.46)
 - Three biweekly paychecks once this academic year (\$8,307.69 in December)
- \$54,000 annual salary will be paid in full based on the biweekly payroll calendar



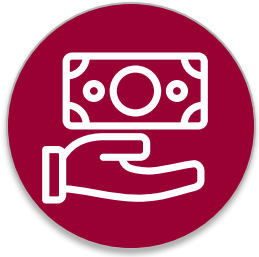
Benefit deductions vs. direct deposit, contributions and withholdings

Benefits deductions are deducted from 24 of the 26 biweekly paychecks in a calendar year and will be split evenly across two pay periods each month.

- Health Insurance
- Life Insurance
- Vision
- Etc.

Direct deposit, contributions and withholdings are deducted from all 26 biweekly paychecks.

- UW Tax-Sheltered Annuity (TSA) 403(b) Program
- Wisconsin Deferred Compensation (WDC) 457 Program
- Wisconsin Retirement System (WRS) additional contributions
- additional tax withholding
- direct deposits into multiple accounts, EdVest/529 Plan



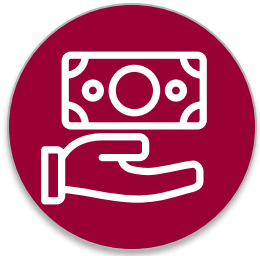
Benefits (insurance) deductions

- Benefits deductions are taken from 24 of 26 paychecks in a calendar year.
- In months when there are three pay periods (two times per calendar year), benefits deductions will not be taken from the third pay period.
- The first biweekly paycheck on August 12 will have no benefits deductions.

Monthly Premiums (24 Paychecks)	
Health Ins.	\$238.00
Life Ins.	\$17.82
Vision Ins.	\$20.58

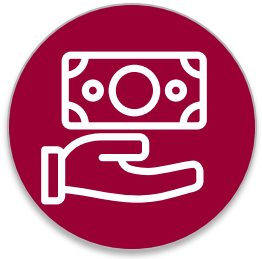
Biweekly 1 Paycheck deductions	
Health Ins.	119.00
Life Ins.	8.91
Vision Ins.	10.29

Biweekly 2 Paycheck deductions	
Health Ins.	119.00
Life Ins.	8.91
Vision Ins.	10.29



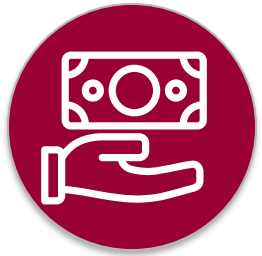
Benefits deductions – FSA and HSA

- Flex Spending Account (FSA) Medical and Dependent Care employee contributions will automatically recalculate for the remaining pay periods of 2021. No employee action is needed.
- Health Savings Account (HSA) employee contributions will automatically recalculate for the remaining pay periods of 2021. No employee action is needed.
- HSA employer contributions will transition to align with the biweekly payroll schedule.
 - Employees who are currently paid monthly will receive the HSA Employer contribution on their June 30 paycheck.
 - HSA Employer contribution will not be paid on your July 30 or August 12 paychecks.
 - The first biweekly HSA employer contribution will be paid on your August 26 paycheck even if there are no earnings (academic year or seasonal employees).
- Employees who elected the HSA for the entire plan year will receive the full \$1,500 for family coverage / \$750 for single coverage in 2021 (employees hired mid-year or who make changes due to a life event receive a pro-rated share of the HSA employer contribution).



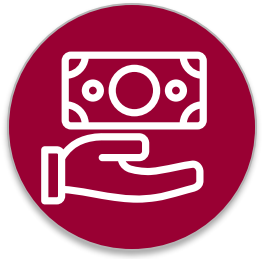
Health Opt-Out Incentive payments

- Health Opt-Out Incentive payments will transition to align with the biweekly payroll schedule.
 - Employees who are currently paid monthly will receive the Health Opt-Out Incentive on their June 30 paycheck.
 - Health Opt-Out Incentive will not be paid on the July 30 or August 12 paychecks.
 - The first biweekly Health Opt-Out Incentive payment will be paid on the August 26 paycheck even if there are no earnings (academic year or seasonal employees).
- Employees who elected the Health Opt-Out Incentive for the entire plan year will receive the full \$2,000 payment in 2021 (employees hired mid-year or who make changes due to a life event receive a pro-rated share of the Health Opt-Out Incentive).



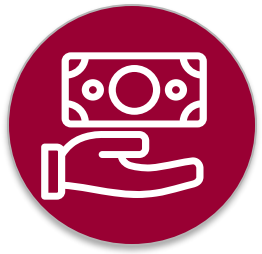
Tax withholding and garnishments

- Tax withholding on a biweekly paycheck is smaller than on a monthly paycheck, but total tax deductions ultimately equal the same amount.
- If you take an additional flat amount out for taxes, you will want to adjust the amount to deduct over biweekly paychecks.
- Garnishments, child support and tax levies will automatically be adjusted for a biweekly payroll. Agencies will be informed of the frequency change and what deduction amounts or calculations will be affected.



General deductions

- Most active general deduction (Charitable – SECC, United Way, Foundation, parking, meal plans, sports activity, etc.) monthly amounts will be converted to the biweekly payroll schedule.
- There are a few general deductions that will take on one paycheck per month.
 - Example: UW-Green Bay, UW-Parkside, and UW-Stout all have parking deducted from one biweekly paycheck per month



Leave reporting

- Leave time is to be reported when leave is used
- If leave time is not used during a month, the No Leave Taken entry will continue to be reported on a monthly basis
 - Simplified monthly No Leave Taken reporting process is being developed
- Summer leave reporting will continue to be reported on a once per summer basis using summer leave functionality available in the portal



What you need to do

Review automatic payment amounts and schedule

- If you have automatic payments set up from your bank accounts (for example, mortgage, car loan, utilities, etc.), you may want to adjust your monthly budget and automatic payments to match your new biweekly paycheck amounts.
- Work with your financial entities regarding options available to adjust your automatic payments.



Flat dollar direct deposit, contributions and withholdings

- Amounts are deducted from all 26 biweekly paychecks a year
 - UW Tax-Sheltered Annuity (TSA) 403(b) Program
 - Wisconsin Deferred Compensation (WDC) 457 Program
 - Wisconsin Retirement System (WRS) additional contributions
 - additional tax withholding
 - direct deposits into multiple accounts, EdVest/529 Plan
- **The same contribution amount you currently have taken monthly will take on every biweekly paycheck, unless you take action to adjust it.**
- Academic year employees who work over summer, these amounts will deduct from summer paychecks beginning with the August 12, 2021 paycheck. These will not be deducted from the June 30 or July 30 paychecks this year.



Flat dollar direct deposit, contributions and withholdings

Current		Beginning July 2021 with Single Payroll Transition			
		7/30/21 pay date:		8/12/21 pay date:	
Monthly Earnings	\$6,500	Monthly Partial Earnings	\$3,565	Biweekly Earnings	\$3,000
Flat Contribution Deduction	\$500	Flat Contribution Deduction	\$500	Flat Contribution Deduction	\$500
Flat Extra Tax Withholding	\$500	Flat Extra Tax Withholding	\$500	Flat Extra Tax Withholding	\$500

Note: Contributions and/or withholdings deduct from all paychecks. Academic year employees with summer contracts will have these deductions from summer paychecks beginning with the August 12 paycheck.



Flat dollar direct deposit, contributions and withholdings

- If you have direct deposits, contributions and/or withholdings that are flat dollar amounts, an email was sent last week to provide a reminder and information on how these will be affected by the new biweekly schedule.
- For TSA, WDC and WRS additional contributions, you should consider switching from a flat dollar contribution to a percentage of pay contribution that will automatically adjust as your pay adjusts.
- Use the Paycheck Estimator to see how these contributions affect your biweekly earnings found on the Single Payroll website at: <https://uwservice.wisconsin.edu/single-payroll>
- Use the [Direct Deposit, Contributions and Withholdings](#) resource to help you plan and make updates. Resources include a timeline and videos on how to make changes.



Payroll change website

Visit the Payroll Change website: <https://uwservice.wisconsin.edu/single-payroll>

Resources:

- Paycheck estimator
- 2021-2022 annual and academic payroll models by institution coming soon
- Direct deposit, contribution or withholding of flat dollar amounts resource
 - When to make changes
 - How to make changes tipsheets and videos
- Frequently asked questions
- Town hall meetings presentation slides and videos
- Your saving & spending plan (budget) workshops schedule
- Budget resources



Spending and Savings Plan workshop

Attend a Spending and Savings Plan Workshop

- Wednesday, May 12, 2021, 8:00 AM Canceled due to technical difficulties
 - Being rescheduled - watch the website for new date
- Tuesday, June 22, 2021, 5:00 PM

Website: <https://uwservice.wisconsin.edu/single-payroll>



Payroll change support

UW-Madison Support

Phone: (608) 265-2257

Email Questions:

2021PayrollChanges@ohr.wisc.edu

UW System Support

Phone: (888) 298-0141 or (608) 262-0600

Email Questions:

2021PayrollChanges@uwss.wisconsin.edu

Website:

<https://uwservice.wisconsin.edu/single-payroll>



Questions

Enter your questions in Q&A

Thank You for Attending and Participating

**A link to the video and the slides of today's presentation will
be posted on the Project Website:**

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