Subject Line: How should I prepare? – Bi-weekly Payroll Conversion Update

In April 2016 we announced that the University is required to move to a bi-weekly payroll cycle January 1, 2018. If you missed that announcement, you can view it on the Human Resources website.

The final monthly pay day will be December 29, 2017 (covering the period of December 1-31 for salaried employees and November 16th-December 15th for hourly employees). Hourly employees who work from December 16-31, 2017 (and CUPE employees with overtime payable) will receive payment for that time early in January 2018 (date to be determined).

The first bi-weekly pay day will be January 12, 2018 covering the period of January 1-6 (short pay period) and the second bi-weekly pay will be January 26, 2017 covering the period of January 7-19.

This communication will focus on how you, as an employee of the University can prepare for the conversion and what resources are available to you.

What is this Advance I keep hearing about and can I opt out?

When we move from paying monthly to paying bi-weekly we are introducing a 6-day lag in pay. This means that pay day is 6 days after the end of the 14 day pay period. As an example, you will be paid on January 26, 2018 for the pay period of January 7-20, 2018. The 6 day lag allows payroll to collect time cards, process payroll and send the information to the bank.

Introducing the 6 day lag will result in salaried employees only getting 3 weeks of pay in January 2018 because the first pay day will only be for one week (January 1-6). We recognize that it may be difficult for some employees to manage a month with lower pay so we will be issuing a one week pay advance on January 9th along with the regular payroll. A portion of this advance will be re-paid on each bi-weekly pay from February to December 2018 (employees with a term position ending before March 31, 2018 will not receive the advance). The repayment amount will automatically come off your pay.

As an example, if you make $50,000/year your advance would be $961.44 and the repayment amount every pay day would be $40.06. Additional information and detail is available in the May 15, 2017 communication on the Human Resources website.

After careful consideration based on the feedback we received, the University has decided to offer an opt-out option. In order to ensure that the advance will not be considered a “taxable employer interest-free loan” by the CRA all eligible employees will automatically receive the advance unless they have opted out. An additional communication will be sent out once the opt-out form is available on the HR website.

What do I need to do prepare my personal finances for the conversion?
You may want to review your monthly expenses and due dates and see how they will fit into the new pay cycle. Many payments such as car loans, mortgage payments and other loans can be converted to bi-weekly payments (which can save you money on interest over the life of the loan!). We suggest contacting your financial institution early if you are interested in converting your payment frequency. The bi-weekly payroll calendar is available on the Human Resources website to assist you with your planning. There are also many good budgeting tools and templates available for free on-line. To estimate your bi-weekly pay net pay you can use the following formula:

**Monthly Net Pay x 12/26**

The following are some of the most common pre-authorized debits which may require changes in terms of payment amounts and/or dates. Please note, it is the employee’s responsibility to ensure that their financial commitments are not compromised by the payroll frequency change.

- Mortgage or rent
- Condo fees
- Property taxes
- Utilities
- Internet/Cable/Phone
- Home/auto insurance
- Car payments
- Credit card payments
- RRSP/TFSA contributions
- Transfers between bank accounts for savings
- Loan repayments
- Gym memberships
- Child/Elder/Pet care
- Collection payments
- Personal income tax re-payment plans
- Dental/Orthodontist office fees

**What resources are available to me?**

Financial Counselling is available through the Employee and Family Assistance Program (EFAP). This program is available to all employees with benefit coverage and their eligible dependents. To access the EFAP, please sign-in to UR Self-Service, click on ‘Faculty & Staff Services’ and then on ‘Employee Family Assistance Program’. When calling or searching the EFAP provider website, please refer to the information on Financial Counselling through Life Smart Coaching.

Additionally, for APT, Out-of-SCOpe and Faculty members, Financial Counselling is an eligible expense against your Personal Spending Account (note that you must have allocated credits from your Flex Spending Credits to this Account).
Have more questions or concerns?

Please contact Heather Anderson in payroll and she will be happy to help you out.

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