

Full-Time Payroll Moving to a Lag Payroll

The UVU Payroll Office, with approval from UVU administration, will be moving the full-time payroll from a paid-current pay cycle to a lag-pay cycle the first of September 2013. Currently full-time employees receive pay for work performed the 1st-15th on the 15th of that month. On the new lag pay cycle, employees will receive pay for work performed the 1st-15th on the 30th or 31st of that month. Changing the full-time payroll to a lag pay cycle will put the full-time payroll on the same pay cycle as the part-time payroll (a one pay period lag).

To make the transition to a lag payroll, UVU will need to skip one full-time payroll. Our goal is to make the transition in a way that has little to no negative effect on employees. To pay employees during this transition period, UVU will pay all full-time employees on a part-time payroll, which will be the first pay period in September 2013. The funds will be direct deposited on September 13th (transition payment/loan). Every effort will be made to make the net pay received by full-time employees during the transition period match the net base pay they normally receive each pay period. Full-time employees that receive stipends as department chairs, program coordinators, or for any other reason will not receive their stipend on this transition payroll.

Transition payments will be considered long-term loans. There will be no loan repayments required of employees until they terminate their employment with the University, at which time the transition payment will be deducted from the employee's final paycheck. Currently if a full-time employee terminates employment on January 31st his/her last paycheck is received January 31st. On the new lag pay cycle, when an employee terminates employment on January 31st he/she will still have one more paycheck on February 15th. The dollar amount of the payment that was received by the employee during the transition period (the loan amount) will be reduced from this additional paycheck resulting from the lag pay cycle. If an employee has received any pay increases between the transition period and when he/she terminates employment with the University, he/she will receive their regular pay less the transition loan amount on their last paycheck. Also, vacation and/or compensatory leave accruals will be paid on the employees last paycheck.

Why is UVU making this change?

1. The vast majority of employers pay using some variation of a lag payroll. Because there are very few employers not on a lag pay cycle, payroll systems are programed for a lag payroll (including our current Banner payroll system)
2. To help eliminate errors and create consistency with the full-time and part-time payrolls. The part-time payroll currently runs on a one pay period lag. Having the full-time payroll paid current and the part-time payroll on a lag creates date problems that can effect deductions, payments, etc.
3. To reduce the number of issues related to untimely notification to HR and Payroll regarding employee pay actions. The lag payroll will provide employees and departments additional time to enter leave, complete new hire paperwork, additional/change of assignment paperwork, termination notifications, etc.
4. The change will allow UVU to stay compliant with federal wage and hours regulations

How will this change affect me?

1. Full-time employees should see minimal disruption in their pay and will receive the normal 24 paychecks between January and December 2013 (calendar year) and July 2013 and June 2014 (fiscal year).
2. The paycheck stub for payment received during the transition period will be located under the part-time (SP) payroll number 17. The dates for this paycheck will show August 16-31, 2013, your paycheck for full-time (SF) payroll 16 will also have the same dates (August 16-31, 2013).
3. New employees hired on or after September 1, 2013 will go up to a month before receiving their first paycheck (e.g., pay for the period of September 1-15 will be direct deposited on September 30).
4. Terminating employees will be required to wait one addition pay cycle to receive their final pay from the University. Employees that went through the transition period will have the transition payment (loan) they received reduced from their final pay.

5. Stipend payments employees receive for additional work assignments or cellular phone use that are spread over the fiscal year will not be paid during the transition to a lag payroll. These stipends will still be paid over 24 pay periods. However, the last payment will be made on July 15, 2014 instead of June 30, 2014.
6. Pre-tax contributions made to retirement or health savings accounts for December 16 – 31 earnings will be applied to the deduction limits of the new tax year which begins January 1.

Full-Time Lag Pay Cycle Fiscal Year 2014

Pay Period	Direct Deposit Effective Date	Payroll Number
July 1-15	July 15	SF 13
July 16-31	July 31	SF 14
August 1-5	August 15	SF 15
August 16-31	August 30	SF 16
August 16-31	September 13	SP 17 (Transition Payment)
September 1-15	September 30	SF 18
September 16-30	October 16	SF 19
October 1-15	October 31	SF 20
October 16-31	November 14	SF 21
November 1-15	November 27	SF 22
November 16-30	December 13	SF 23
December 1-15	December 31	SF 24
December 16-31	January 15	SF 01
January 1-15	January 31	SF 02
January 16-31	February 14	SF 03
February 1-15	February 28	SF 04
February 16-28	March 14	SF 05
March 1-15	March 31	SF 06
March 16-31	April 15	SF 07
April 1-15	April 30	SF 08
April 16-30	May 15	SF 09
May 1-15	May 30	SF 10
May 16-31	June 13	SF 11
June 1-15	June 30	SF 12
June 16-30	July 15	SF 13