



2016 Fair Labor Standards Act (FLSA) Changes

TOOLKIT FOR EMPLOYEES

October 21, 2016

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Toolkit for Employees

ABOUT THIS TOOLKIT

More university faculty and staff will be eligible for overtime pay under changes to the Fair Labor Standards Act that take effect on December 1, 2016. If you are impacted by these changes, this toolkit is designed to help you:

- Understand what you can expect as a result of a change in FLSA status
- Plan for key transition dates between now and December 1, 2016
- Prepare for changes in pay frequency and time reporting

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A Brief Guide to the Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) determines whether a position is eligible for overtime pay. Any “exempt” position is not eligible for overtime pay. A “non-exempt” position is eligible and must receive overtime pay at time-and-one-half for any hours worked above 40 hours in one workweek.

Three Tests: Salary Basis, Duties and Salary Level

A position may be considered exempt under the FLSA if it meets three tests:

1. Employee must be paid on a salary basis, not on an hourly basis
2. Duties must meet criteria for executive, professional, or administrative job duties
3. Compensation rate (pro-rated full-time rate if part-time) must be at least \$47,476 annually (effective December 1, 2016)

If any one of the three tests is not met, the employee must be classified as non-exempt and eligible for overtime pay. Please note that exempt classification is an option, not a requirement under the law. A position that meets all three tests may still be classified as non-exempt.

FLSA Status at UCR

At UCR, FLSA status affects three areas of employment:

1. Eligibility for overtime pay for hours worked above 40 in one workweek
2. How time is reported
3. Biweekly or monthly pay frequency

Most other benefits are the same for non-exempt and exempt employees.

What Counts Towards Overtime?

Only time worked is counted toward the 40 hours per week required for overtime pay for non-exempt employees. Exception time such as vacation, sick, holiday, military reserve duty, bereavement, extended sick, and time for jury duty does not count toward the 40 hours per week of time worked that is required for overtime pay.

Employees Guide to Becoming Eligible for Overtime

In order to comply with revised Fair Labor Standards Act (FLSA) regulations announced by the federal government in May 2016, your position will be considered eligible for overtime pay (or “non-exempt” under the FLSA) as of November 20, 2016. This overview provides a summary of how this change will impact you, a timeline of key dates and a guide to common considerations.

How This Change Will Affect You

Overtime

You will become eligible for overtime pay effective November 20, 2016. As of November 20, 2016 you must record all hours worked, including overtime hours, and you will receive additional pay for overtime at one-and-one-half times your regular rate of pay for all hours worked above 40 in one workweek. If your supervisor has not specifically requested that you work overtime, you will need to obtain approval before doing so.

Rate of Vacation and Sick Accrual

You will have an hourly factor accrual of vacation and sick leave, rather than a table accrual. For further explanation, please see PPSM 2.210: Absence from Work, Section VII.2, <http://policy.ucop.edu/doc/4010406/PPSM-2-210>.

Pay Schedule

You will move to a biweekly pay schedule as a result of the change in your FLSA status. You will receive your last monthly paycheck on December 1, 2016. It will be a partial paycheck which will cover work performed from November 1 - 19, 2016. You will receive your first biweekly paycheck on December 14, 2016 and will include work performed from November 20 – December 3, 2016. On December 28, 2016, you will receive your next paycheck for the full biweekly period of December 4 – 17, 2016.

Time Reporting

You will begin reporting your time worked in addition to exception time (overtime and time off) as of November 20, 2016. Exception time is reported to the nearest ¼ hour (15 minutes).

Key Transition Dates

| | |
|---------------------|--|
| November 1-19, 2016 | Last monthly pay period; record monthly exception time as normal |
| November 20, 2016 | Start of biweekly pay period; begin recording time worked and exception time |
| December 1, 2016 | Last monthly pay date (reflects 11/1-19/16) |
| December 3, 2016 | End of first biweekly pay period |
| December 14, 2016 | First biweekly pay date (reflects 11/20 – 12/3) |

What You Need to Do

You will need to work with your supervisor or departmental timekeeper to make sure you know how to report time correctly starting November 20, 2016. You should also discuss with your supervisor how this change may impact scheduling of regular and overtime hours.

In addition, you may want to consider whether you would like to make any personal financial adjustments to prepare for a biweekly pay schedule (26 pay dates per year) rather than a monthly pay schedule (12 pay dates per year). Your direct deposit authorizations will not change with your pay frequency unless you take action to change them.

Direct Deposit Amounts or Flat-Dollar Payroll Deductions

You will receive 26 biweekly paychecks per year under your new biweekly pay schedule. If you have currently chosen to make any flat-dollar direct deposits or payroll deductions (such as deposits to a savings account or contributions to a 403(b) Supplemental Retirement Account), these will be divided and deducted from each biweekly paycheck.

Payroll Deductions

Percent based deductions will be deducted from every paycheck.

Flat dollar deductions will be divided and deducted from each biweekly paycheck.

Twice a year, flat dollar deductions will not be deducted. These are known as “Deduction Holidays.” This occurs since there are normally 26 biweekly paydays per year and only 24 are needed each year to cover deductions.

Change Billing Cycles

You may also wish to request that your creditors change your billing cycles if all your bills are currently due at a specific time each month.

Biweekly Pay Cycle Conversion *Quick Facts*

On November 20, 2016, certain UC employee groups will transition to the biweekly pay cycle to comply with new regulations set forth by the United States Department of Labor (DOL), the agency which interprets and enforces the Fair Labor Standards Act (FLSA) – the wage and hour law that covers the University. Employees in these groups are now considered to be nonexempt employees and therefore eligible for premium overtime pay.

The following employee groups are subject to this change in FLSA status, time reporting, and pay cycle:

- Junior Specialists
- Assistant Specialists, steps 1 and 2
- Part-time academic employees with earnings that fall below the new 2016 annual salary threshold, as defined by the FLSA

KEY FACTS RELATING TO THIS CHANGE:

- Beginning November 20, 2016, employees identified as nonexempt under the new DOL regulations will begin using a biweekly timesheet to record hours worked and will be eligible to accrue overtime at a premium rate
- UCR will offer a vacation cash-out option to eligible employees who request financial assistance during the transition period
- Nonexempt paid employees will receive earnings on a biweekly pay cycle for any work performed on or after November 20, 2016
- Pay dates for the transition in pay cycle:
 - November 1st: Last full monthly paycheck
 - December 1st: Partial monthly paycheck for the time reported from 11/1 through 11/19
 - December 14th: First biweekly paycheck for time reported from 11/20 through 12/3

WHAT CHANGES CAN I EXPECT WITH THE TRANSITION TO BIWEEKLY PAY?

- 26 paydays in a year, rather than 12 paydays a year
- The biweekly pay rate will be expressed as an hourly rate
- Paydays will occur every other week, on Wednesday, beginning December 14, 2016
- Time worked and paid time off will be reported hourly, to the nearest ¼ hour (15 minutes)
- Time will be submitted via TARS
- Employees on the biweekly pay cycle will be eligible to accrue overtime at a premium rate for any time reported over 40 hours within a standard work week (Sunday to Saturday)
- Vacation and sick leave will be accrued every four weeks rather than once a month. This four-week period is referred to as a quadriweekly cycle (two biweekly pay periods).
- Health benefits and other fixed amount deductions will be split in half and deducted from 24 biweekly paychecks. The other two paychecks are called “Deduction Holidays” and are identified on the [Biweekly Payroll Calendar](#).
- Percentage-based deductions will be taken from every paycheck

WHAT CAN AFFECTED EMPLOYEES DO TO PREPARE?

- Review your personal budget and determine your income needs based upon a biweekly pay cycle
- Review and make any changes necessary to automatic payments and deductions you have scheduled, such as with your bank and retirement plan

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1. What does it mean to be exempt or non-exempt under the Fair Labor Standards Act (FLSA)?

The federal Fair Labor Standards Act (FLSA) regulates whether an employee is overtime-eligible (“non-exempt”) or overtime-exempt (“exempt”). Most employees covered by the FLSA must be paid at least the minimum wage and premium pay for any hours they work beyond 40 in a workweek. The minimum wage for California is currently \$10 per hour. Some localities have adopted higher minimum wages. The FLSA does, however, exempt certain kinds of covered employees from the minimum wage and overtime requirements, including bona fide executive, administrative, and professional employees. To qualify for one of the executive, administrative or professional exemptions, an employee must be paid a predetermined salary that is above a certain amount and meet the applicable duties test.

2. Are any positions exempt from the salary basis test?

Professors, lecturers, tutors and others teachers, doctors, medical residents, veterinarians and attorneys are not subject to either the salary basis or salary level tests. This means that these professionals are considered exempt regardless of the amount they earn for performing services.

3. Why is UC changing my FLSA status from exempt to non-exempt and overtime eligible?

Currently, most employees who are classified as overtime-exempt must earn at least \$455 per week, according to the FLSA. Beginning December 1, 2016, to qualify for the executive, administrative or professional exemption, the FLSA requires that an employee earn no less than \$913 per week, or \$47,476 per year. To comply with this new overtime rule, the University of California has reviewed your position and salary and reclassified you as overtime-eligible.

4. As a non-exempt employee, when am I entitled to overtime?

Non-exempt, overtime-eligible employees must be paid no less than the minimum wage and a premium rate for any hours worked beyond 40 in a workweek. Hospitals are permitted to base FLSA overtime eligibility on either 40 hours in a workweek or 80 hours in a 14-consecutive day work period (the 8/80 option). If the University requires or permits an employee to work overtime, then it is generally required to pay the employee premium pay for such overtime work.

5. Now that I am a non-exempt, overtime-eligible employee, why am I required to record the number of hours I work each day?

The FLSA requires the University to keep certain records for each non-exempt, overtime-eligible employee, including records of the number of hours worked each day and the amount of wages earned. Talk to your manager or supervisor about local time reporting requirements.

6. I am currently paid monthly. Will I convert to the biweekly pay schedule?

If you are re-classified as a non-exempt employee and eligible for overtime, your pay period will change from monthly to biweekly.

7. When will the change from a monthly pay schedule to a biweekly pay schedule take effect?

The new non-exempt, overtime-eligible employees will transition to the biweekly pay schedule on November 20, 2016.

Here are the specific pay dates during that period:

December 1: Final monthly paycheck for work performed between November 1 through November 19, full benefits deduction for December 2016

December 14: Full paycheck for biweekly period of November 20 through December 3, first ½ of January 2017 benefits deductions

December 28: Full paycheck for full biweekly period of December 4 through December 17, second ½ of January 2017 benefits deductions

8. Where can I find the biweekly pay schedule?

Your local payroll office can provide you with the [2016](#) and [2017](#) biweekly payroll schedule calendars.

9. How many biweekly pay periods are there in a calendar year?

You will receive a minimum of 26 and a maximum of 27 paychecks in a year. Because biweekly periods do not always line up exactly to the calendar year, there is often a biweekly pay period that crosses over from December to January. As a result, the gross pay reported on an annual W-2 tax form may not exactly match your annualized pay rate, and occasionally there will be 27 periods in one year.

10. How will my vacation and sick leave accruals be calculated during the transition?

For staff and academic employees, your accruals are based on your hours on pay status. If the time you work on pay status varies, then so will your accruals. Therefore, a full-time employee should expect to see the same accruals over the course of the year, while a part-time employee's accruals may vary.

Accruals for biweekly employees are credited at the end of every two pay periods (every four weeks) based on hours on pay status during those two pay periods. Biweekly employees accrue 13 times in a calendar year, compared to 12 times for monthly employees. The accruals for each pay period are therefore smaller, but your annual vacation and sick accrual rate is the same.

During the transition, you will be credited at the end of the monthly November pay period based on the hours worked November 1 through November 19, and credited again in December for the hours worked November 20 through December 17 (the end of the first biweekly accrual period).

11. How is my hourly rate determined?

There are two methods you can use to calculate your hourly rate (based on a 40-hour workweek):

- **Method 1:** Take your monthly salary rate and divide by 174 (the average number of working hours in a month). For example, if your monthly salary is \$3250 per month: $\$3250 \div 174 = \18.68 per hour.

- **Method 2:** Take your annual salary and divide it by 2088 (the number of working hours in a year). For example, if your annual salary rate is \$39,000 per year: $\$39,000 \div 2088 = \18.68 per hour.

12. What should I do to prepare for the change?

It is important that you review your personal budget situation and determine your income needs based on the new biweekly pay schedule. In preparation for the conversion, we suggest that you take the following steps:

- Review your current tax withholding elections and make any necessary changes; pay particular attention to additional tax withholding amounts
- Review your current voluntary contributions to your 403(b) and 457(b) plans; see FAQ #18
- If appropriate, request that third-parties adjust your automatic withdrawal or bill pay dates to align with your new pay schedule

13. What if I have reviewed my situation and find that I will be unable to meet my financial obligations during the transition?

The University will be offering a Transition Assistance Vacation Cash Out program that allows you to cash out up to 80 hours of your accrued and unused vacation balance to assist you in meeting financial obligations during the transition period.

The University has an arrangement with two credit unions for emergency loans at negotiated rates. Please see this policy link for more information: <http://policy.ucop.edu/doc/3410225/AM-E526-48>.

14. Will I need to make any changes to my direct deposit?

No.

15. What is a Deduction Holiday? How will my deductions be calculated?

A deduction holiday occurs when there are three biweekly pay periods in a month. During a deduction holiday, no flat-dollar deductions are taken from pay; only percent-based deductions are taken. Typically, deduction holidays occur twice a year, based on pay period end date. Pay dates with deduction holidays can be found on the biweekly pay schedule calendars.

16. I have a garnishment deduction. How will the transition to biweekly pay affect the amount deducted for my garnishment?

If the garnishment deduction is calculated as a percentage of your earnings, a deduction will occur each pay period, up to the maximum deduction allowed based on federal and state regulations. For example, if your garnishment deduction is 25% of your pay, that amount will be deducted each payday.

If the garnishment deduction is a fixed amount, the amount will be recalculated to a biweekly amount. That calculation is then divided into two payments. For example, a monthly \$250 garnishment payment will become \$125, deducted during each biweekly paycheck.

17. When is my retirement deduction taken?

The UC mandatory retirement contributions, University of California Retirement Plan and the Defined Contribution Plan, are taken each biweekly payday.

18. I contribute to my 403(b) and 457(b) plans. When will my contributions be taken?

Percentage deduction: If you set up your contributions as a percentage deduction, the percentage amount will be taken each paycheck (26 times a year). For example, if your current 403(b) contribution is 5% per month, a 5% contribution will be made each biweekly payday.

Flat Dollar deduction: If you set up your contributions as a fixed flat dollar amount, the flat dollar amount will be split in half, and one-half will be withheld per biweekly payday. For example, if your current 403(b) contribution is \$100 per month, it will be divided into a \$50 contribution each biweekly payday. For months with three paychecks, one paycheck will have no fixed flat dollar deductions taken.

19. What if I pay some of my bills through automatic bill pay?

If you have automatic bill pay set up for any regular expenses, such as mortgage payments, student loan payments or car payments, we encourage you to work directly with your financial institution(s) to change payment dates as needed. As a biweekly employee, your pay dates vary since you are paid every other Wednesday.

20. Will I need to make any changes to my tax withholding?

If you have an additional tax amount deducted from your paycheck, that monthly amount will be split in half, and one-half will be withheld from each biweekly check. If you would like to adjust your additional withholding amount, please go to the [At Your Service website](#) and review and/or update your W-4/DE-4 Form. For other tax questions, please consult IRS and State Franchise Tax Board websites or contact a tax professional for help. For other tax questions, please consult IRS (<https://www.irs.gov/>) and State Franchise Tax Board (for California: <https://www.ftb.ca.gov/>) websites or contact a tax professional for help.

21. Who should I contact if I have questions regarding my FLSA classification or the biweekly pay cycle conversion?

If you have questions for which you need immediate assistance, please contact your supervisor or local staff human resources or academic personnel office (apomail@ucr.edu).



Staff and Academic Personnel FLSA Pay Transition

**Information Session
October 2016**

Agenda

- **Introduction**
- **FLSA changes**
- **How will the transition impact your paycheck?**
 - Timing
 - Deductions
- **Planning your transition**
 - Transition Assistance Vacation Cash Out Program
- **Time reporting system**
- **Resources**

Who Will Be Classified As Nonexempt

Due to a recent change in the federal Fair Labor Standards Act, most full-time and part-time employees must earn at least \$913 per week (or \$47,476 per year) in order to remain classified as overtime exempt.

To comply with the DOL's new overtime rule, the University of California will take the following approach:

- Junior Specialists and Staff Research Associate 2 will be reclassified as nonexempt
- Staff and academic personnel who do not qualify for the professional teaching exemption and who earn less than \$913 per week, will be reclassified as nonexempt and paid on an hourly basis.

Transition to Biweekly Pay

Dec 1, 2016

- Last monthly paycheck issued for work performed November 1 - 19, 2016

Dec 14, 2016

- Paycheck for work performed from November 20 - December 3, 2016




Dec 28, 2016

- Paycheck for full biweekly period of December 4 - 17, 2016



Pay Cycle Comparison

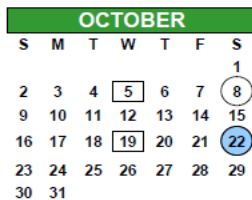
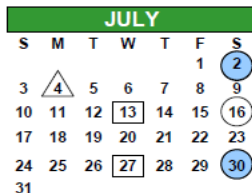
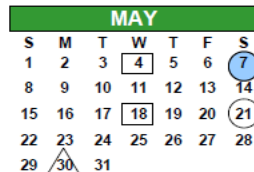
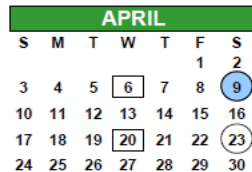
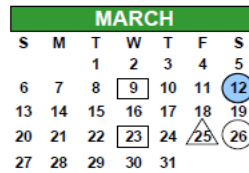
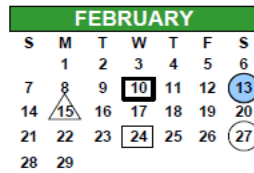
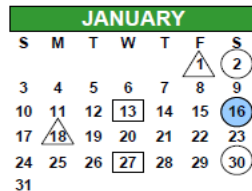
| | Monthly Pay Cycle | Biweekly Pay Cycle |
|--------------------|---|--|
| Pay Cycle | 1 st to last day of the month | Sunday to Saturday, two-week period |
| Paychecks per Year | 12 | 26 |
| Paycheck Date | 1 st of the month | Every other Wednesday |
| Pay for Overtime | Paid one month after earned, or in a separate check | Paid in biweekly check when earned |
| Leave Usage | Reported one month in arrears | Reported in the current pay period |

Biweekly Calendar

 BIWEEKLY PAYDAYS
 PAY PERIOD ENDS
 HOLIDAYS

BIWEEKLY PAYROLL CALENDAR 2016

 DEDUCTION HOLIDAYS
 February 10, August 10
 VACATION AND SICK LEAVE ACCRUAL DATES



HOLIDAYS SUBJECT TO CHANGE DUE TO CHANCELLOR DESIGNATION

This is the annual biweekly pay schedule calendar.

It indicates the biweekly pay periods, pay dates, and leave accrual periods.

The end date of each leave accrual period is indicated on the calendar with a blue circle. Leave is accrued at the end of every two biweekly pay cycles (see appendix)

You may use your vacation/sick once it has accrued.

Payroll Deductions

Payroll deductions are taken from paychecks either as:

- **set amounts (aka Flat Dollar Deductions)**

or

- **calculated amounts based on a percentage of earnings**

Flat Dollar Amount Deductions

Flat Deductions Taken Twice Per Month (24 paychecks)

| | |
|-------------------|--|
| Insurance | <ul style="list-style-type: none">• Health Insurance• Life & Dependent Life• Accidental Death & Dismemberment• Supplemental Disability• Health Care/Dependent Care |
| Retirement | <ul style="list-style-type: none">• 403(b) or 457(b) if Flat Deduction* (for example, \$100/month) |
| Other | <ul style="list-style-type: none">• Legal Insurance• California Casualty• Scholarshare• Loans – Credit Union & 403(b) loans• Transit and Parking, etc. |

Percentage Based Deductions

| % Deductions Based on Pay (every paycheck) | |
|--|---|
| Taxes | <ul style="list-style-type: none">• Federal• State• OASDI (Social Security)• Medicare |
| Retirement | <ul style="list-style-type: none">• UC Retirement Plan (UCRP)• 403(b) or 457(b) if % Deduction* (for example, 3% of every check) |
| Other | <ul style="list-style-type: none">• Union Dues / Fair Share• Garnishments |

**Employees elect 403(b)/457(b) as percentage (%) amount or flat amount*




Payroll Deductions

- **MONTHLY Paychecks**
 - All deductions taken once a month
 - The net of the paycheck is generally the same every month
- **Biweekly Paychecks**
 - 24 Paychecks a year - 2 per month
 - Percent based deductions are deducted from every paycheck
 - Flat dollar deductions are divided and deducted from each biweekly paycheck
 - 2 pay checks (Deduction Holidays) – the net will differ
 - only percent based deductions are deducted



Deduction Holidays

- There are two times a year when flat dollar deductions are not deducted. Since there are normally 26 biweekly paydays per year and only 24 are needed each year to cover deductions. They are referred to as Deduction Holidays
- Indicated on the calendar with a bolded square
- A Deduction Holiday occurs when three biweekly pay period end dates fall within the same month

Biweekly Calendar-Deduction Holiday

| | |
|--|------------------|
|  | BIWEEKLY PAYDAYS |
|  | PAY PERIOD ENDS |
|  | HOLIDAYS |

BIWEEKLY PAYROLL CALENDAR 2016

| | |
|---|--|
|  | DEDUCTION HOLIDAYS February 10, August 10 |
|  | VACATION AND SICK LEAVE ACCURAL DATES |

| JANUARY | | | | | | |
|---------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| FEBRUARY | | | | | | |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | | | | | |

| MARCH | | | | | | |
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| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

| APRIL | | | | | | |
|-------|----|----|----|----|----|----|
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

| MAY | | | | | | |
|-----|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

| JUNE | | | | | | |
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

| JULY | | | | | | |
|------|----|----|----|----|----|----|
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| AUGUST | | | | | | |
|--------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

| SEPTEMBER | | | | | | |
|-----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

| OCTOBER | | | | | | |
|---------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| NOVEMBER | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

| DECEMBER | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

HOLIDAYS SUBJECT TO CHANGE DUE TO CHANCELLOR DESIGNATION

For 2016, the deduction holidays are February 10 and August 10, 2016. For 2017, the deduction holidays are January 11 and August 9, 2017.

Only the following deductions will be taken:

- OASDI
- Medicare
- Federal and State income tax
- % based deductions (i.e. 403b, union dues)

These are indicated on the calendar with a **bolded square**

Sample Employee: Monthly

Employee Name: Brian monthly
Works 100% Time

Monthly ESTIMATE

Pay Period: June 1 to June 30

Check Date: June 30, 2016

Gross Pay: \$3,471.00

30 days in pay period

Deductions:

| | |
|----------------|----------|
| HLTH NET HMO | \$72.91 |
| PARKING PTX | \$70.00 |
| UCRP | \$102.48 |
| MEDICARE | \$48.26 |
| OASDI | \$206.35 |
| TD 403B FLAT | \$100.00 |
| FEDERAL TAX | \$400.17 |
| CA STATE | \$112.06 |
| SUPPL LIFE | \$4.54 |
| DEP LIFE INSUR | \$3.78 |
| AD&D INSUR | \$7.20 |
| SUPPL DIS | \$30.54 |
| ARAG LEGAL | \$13.78 |
| CX FAIR SH | \$16.49 |

Net Pay: \$2,282.44

Monthly Gross Salary: \$3,471.00

Annual Gross Salary: \$41,652.00

Hourly Pay Rate: \$19.95
(Annual Salary/2088 hours)

Monthly Compared to Biweekly

Employee Name: Brian biweekly

Annual rate = \$41,652 hourly rate = \$19.95

BW Estimate reflects pay for 80 hours* (80 x 19.95 = \$1596)

Monthly ESTIMATE

Pay Period: **Mar-1 to Mar-31**

Check Date: March 31

Gross Pay: \$3,471.00

31 days in pay period

Deductions:

| | |
|----------------|----------|
| HLTH NET HMO | \$72.91 |
| PARKING PTX | \$70.00 |
| UCRP | \$102.48 |
| MEDICARE | \$48.26 |
| OASDI | \$206.35 |
| TD 403B FLAT | \$100.00 |
| FEDERAL TAX | \$400.17 |
| CA STATE | \$112.06 |
| SUPPL LIFE | \$4.54 |
| DEP LIFE INSUR | \$3.78 |
| AD&D INSUR | \$7.20 |
| SUPPL DIS | \$30.54 |
| ARAG LEGAL | \$13.78 |
| CX FAIR SH | \$16.49 |

Net Pay: \$2,282.44

BW ESTIMATE

Pay Period: **Feb-28 to Mar-12**

Check Date: March 23

Gross Pay: \$1,596.00*

14 days in pay period

Deductions:

| | |
|----------------|----------|
| HLTH NET HMO | \$ 36.45 |
| PARKING PTX | \$ 35.00 |
| UCRP | \$ 36.86 |
| MEDICARE | \$ 21.58 |
| OASDI | \$ 92.26 |
| TD 403B FLAT | \$ 50.00 |
| FEDERAL TAX | \$186.50 |
| CA STATE | \$ 55.25 |
| SUPPL LIFE | \$ 2.27 |
| DEP LIFE INSUR | \$ 1.89 |
| AD&D INSUR | \$ 3.60 |
| SUPPL DIS | \$ 15.27 |
| ARAG LEGAL | \$ 6.89 |
| CX FAIR SH | \$ 7.98 |

Net Pay: \$1,044.20

BW ESTIMATE

Pay Period: **Mar-13 to Mar-26**

Check Date: April 6

Gross Pay: \$1,596.00*

14 days in pay period

Deductions:

| | |
|----------------|----------|
| HLTH NET HMO | \$ 36.46 |
| PARKING PTX | \$ 35.00 |
| UCRP | \$ 55.86 |
| MEDICARE | \$ 21.58 |
| OASDI | \$ 92.26 |
| TD 403B FLAT | \$ 50.00 |
| FEDERAL TAX | \$183.65 |
| CA STATE | \$ 53.74 |
| SUPPL LIFE | \$ 2.27 |
| DEP LIFE INSUR | \$ 1.89 |
| AD&D INSUR | \$ 3.60 |
| SUPPL DIS | \$ 15.27 |
| ARAG LEGAL | \$ 6.89 |
| CX FAIR SH | \$ 7.98 |

Net Pay: \$1,029.55



Planning Your Transition

Planning Your Transition

- Review your personal financial situation and plan accordingly
- Estimate your biweekly pay and your income needs during November and December
- Review any automatic payments you have scheduled with your bank or financial institution
- Consider Transition Assistance Vacation Cash Out Program

Transition Assistance Vacation Cash Out Program

| | |
|--|---|
| What is it? | The University is offering a one-time opportunity for you to cash out up to 80 hours of accrued vacation leave. |
| What is required? | You must have the hours in your vacation bank. |
| How will the vacation cash out be calculated? | Cash out value = (hourly rate x vacation hours). It will be paid as part of your normal paycheck where it will be subject to taxes and percentage based deductions. |
| When can I request it? | Check with your local payroll office about the program request period. |
| How many requests can I submit? | Maximum of one request during the program request period. |
| Who do I make the request to? | The application form for a vacation payout should be sent to your local payroll office. |
| When do I receive the cash out? | Receipt will depend on when your request is received and processed. Check with your local payroll office. |

Time Reporting Obligations

- Non-exempt, overtime eligible employees must track and record the number of hours worked on a daily basis and the total number of hours worked during a workweek
- Supervisors may be asked to review and approve time records at the end of a workweek or pay period
- Locations should follow local procedures regarding timekeeping and University policies regarding recordkeeping and retention

- **Available on HR website:**
 - FAQs
 - Biweekly Pay Schedule Calendars
 - Transition Assistance Vacation Cash Out Program request form

Appendix

Vacation & Sick Leave Accruals

- The biweekly leave accrual period is four (4) weeks. For full time employees, this means that the vacation/sick accruals are based on 160 hours per leave accrual period.
- Leave accrual is based on an hourly factor
- Information on hourly factors for policy covered staff can be found in PPSM-2.210: Absence from Work, Section VII.2



AM-E526-48: Employee Emergency Loan Fund

| | |
|-------------------------|-----------------|
| Rescission Date: | 5/3/2016 |
|-------------------------|-----------------|

| | |
|-----------------|--|
| Contact: | Peggy Arrivas, AVP-Systemwide Controller |
| Email: | Peggy.Arrivas@ucop.edu |

I. POLICY SUMMARY

The UC Emergency Loan Program (Employee Emergency Loan Fund Policy, E-526-48) has been rescinded and replaced by two external credit unions who will offer a similar program to our UC employees.

Background: The University has had an employee emergency loan program since 1970 when The Regents approved the establishment of an emergency loan fund for employees on the campuses. The purpose of the fund was to provide loans to University employees who have an immediate need for funds as the result of an emergency and have no other source of money available within the time necessary to act, or who have a direct personal financial hardship.

In lieu of offering this program internally, we have contracted with two external suppliers who will provide a similar program to our employees. The two credit unions are- USE Credit Union and University Credit Union. Both suppliers have UC negotiated interest rates, are in complete compliance with the Truth in Lending requirements, and will provide online application tools for employees to directly apply for emergency loans.

Next Steps: From this point forward, any employee seeking an emergency loan should contact these two external suppliers:

| Name of the Organization | University Credit Union | USE Credit Union |
|--------------------------|--|--|
| Contact Phone Number | (800) UCU-4510 (800-828-4510) | (866) 873-4968 |
| Contact Email | Loans@UCU.org | loancenter@usecu.org |
| Loan Application URL | www.UCU.org/emergency | www.usecu.org/emergencyloan |