This individual shared that they are on a 185-day employment agreement at a rate of $16.75 per hour, resulting in an annual salary of roughly $25,000. However, the terms of their agreement do not allow for their salary to be dispersed over the course of nine months, which would ultimately increase their take-home pay. The current payment structure spreads their annual salary over 12 months, significantly reducing their monthly income.

Current Process:

1. All employees are paid on the same semi-monthly pay schedule. However, pay groups start and end the payroll year at different times. In a year when an employee works the entire schedule, their regular pay is spread over 24 even payments. This may include pay periods when they have completed their scheduled workdays but continue to receive pay. The table below shows the different schedules we currently use.

Pay Group (workdays)	First payroll for the school year	Last (24th) payroll for the school year	General Work Start Date	General Work End Date
180 - 190	08/31	08/15	Early to mid-August	First week of June
195 - 205	08/15	07/31	Mid July	Late June
210 - 220	07/31	07/15	Early July	Late June
240 - 246	07/15	06/30	July 1	June 30

2. Benefits are deducted over the same 24 pay periods to align with PEBA's monthly premiums. HCS pre-pays the monthly PEBA bill and deducts the employee's premium in the same month of coverage.

   For example: If an employee owes PEBA $300 for coverage in October, HCS pays the bill on October 10th and the deducts $150 on October 15th and $150 on October 31st to reconcile the bill.

   Adding an option for 20 pay periods will require reconfiguration of our current HR and Payroll systems to account for additional hiring processes and pay groups needed to support the new pay schedules. Reconfiguration of our benefit deduction process and billing systems would also be required to pre-deduct premiums and reconcile the PEBA billing statements for employees who retain coverage while not receiving pay on June 30th, July 15th, July 30th and August 15th.

3. Employees enrolled in voluntary coverage from our current vendors with Ward Services will see an increase in premiums deducted from each payment due to the change. Any employee electing 20 pay periods who is still covered by one of our older grandfathered vendors will need to switch to direct billing with that vendor to continue coverage.

4. Additional conversations will be needed to ensure reporting and reconciliation done by other HCS departments is not impacted by a change.

The example below compares a 24-period schedule versus a 20 period pay schedule:

Annual Salary $**25,000**

Taxes set at **Single / 0**

Benefits **Health / Dental Plus / Vision / SCRS 9%**

Assumptions:

No Premium Increase in January

No Benefit Change Requested

Employee coverage only

	24 Payrolls	**20 Payrolls w/ 19 Benefit Deductions**
Semi-monthly Gross	1,041.67	1250.00
Taxes	(165.64)	(203.27)
Benefits	(164.14)	(196.36)
Semi-Monthly Net	**$711.89**	**$850.37**

	1st Payroll	**Last Payroll**
180 – 190 pay periods for 24 periods	31-Aug	15-Aug
180 – 190 pay periods for 20 periods	31-Aug	15-Jun