

- Final rules announced May 18, 2016
- Effective date, December 1, 2016
- Overview, impact at UCO, and Q&A [link](#) distributed to Campus 5/19/16
- Implementation Committee recommends we transition August 7, 2016 to take advantage of three (3) paychecks in September.
- Remaining *monthly* non-exempts will also transition to bi-weekly with this change.
- Workshops to help employees and supervisors learn more about navigating under FLSA timekeeping rules will begin in June.
- Testing is in progress to see if the \$700 OTRS can be spread out over 12 months. \$58.34 for monthly, salaried payroll, and \$26.93 for bi-weekly, hourly (in 26 paychecks).
- Options to compensate for transition delay from *exempt* monthly, to *non-exempt* bi-weekly:
 - 1) Add a week of accrued vacation. Will appear on check as “vacation pay-out” (VPO). Will be taxed as regular earnings at the employees’ normal tax rate, and paid through payroll. Advantage – no payback.
 - 2) Accept a week of pay in the form of a loan. Loan is not taxable – would be paid through Accounts Payable to employee on 8/31/16. Loan amount would be placed on employee’s UCO Bursar account as receivable to the University. Payroll deductions over 5 paychecks would pay back the loan. Deductions would begin in October (pay date 10/14) and continue through first pay date in December (pay date 12/9).
 - 3) Do nothing, and transition into the two week lag time naturally.
- Insurance premiums beyond the \$530 employer-paid coverage for health/dental/vision/etc. will be taken from the four checks from August 31 through September 30 to properly transition these deductions.

- **The Pay Schedule**

Monthly to Bi-Weekly for pay and insurance deductions:

<u>PAYDATE</u>	<u>PAY PERIOD</u>	<u>INFORMATION</u>
7/31/16	7/1 – 7/31	Last full (exempt) monthly check
8/31/16	8/1 - 8/6	<i>Final one (1) week of exempt status and pay.</i> One week of VPO or Loan, if desired. ½ insurance premium for 1 st half of August
9/02/16	8/7 - 8/20	<i>1st full non-exempt hourly</i> check – assume 80 hours of time worked and/or paid leave ½ insurance premium for 2 nd half of August
9/16/16	8/21 - 9/3	Regular, routine paycheck of hours worked and/or paid leave ½ insurance premium for 1 st half of September
9/30/16	9/4 - 9/17	Regular, routine paycheck of hours worked and/or paid leave ½ insurance premium for 2 nd half of September

This completes transition to regular pay & insurance deduction schedule. Loan repayment schedule on reverse.

10/14/16	9/18 - 10/1	Regular, routine paycheck of hours worked and/or paid leave, & ½ insurance premium 1 st of 5 loan repayment deduction for those who accepted a loan.
10/28/16	10/2 - 10/15	Regular, routine paycheck of hours worked and/or paid leave, & ½ insurance premium 2 nd of 5 loan repayment deduction for those who accepted a loan.
11/11/16	10/16-10/29	Regular, routine paycheck of hours worked and/or paid leave, & ½ insurance premium 3 rd of 5 loan repayment deduction for those who accepted a loan.
11/22/16	10/30-11/12	Regular, routine paycheck of hours worked and/or paid leave, & ½ insurance premium 4 th of 5 loan repayment deduction for those who accepted a loan.
12/09/16	11/13-11/26	Regular, routine paycheck of hours worked and/or paid leave, & ½ insurance premium 5 th and final loan repayment deduction for those who accepted a loan.

Transition complete for employees who accepted a loan.