

Payroll Clarity Project Employee Information Sessions

November 2021



Purpose and Agenda for this Session

Purpose:

- To provide employees with information regarding the upcoming payroll changes.
- To provide information that will help employees be best prepared for this change.
- To provide answers to questions that have been asked to allow for better clarity around the payroll change.

Agenda:

- Messages from our Superintendent and Chief Financial Officer
- Lots of Informational items
- Breakout Groups

A Message from the Superintendent and the Chief Financial Officer



A central black circle contains the text "Payroll Clarity Project". Surrounding it are four larger blue circles, each containing a project component: "Move to Positive Pay/ Biweekly Pay Cycle" (top-left), "Outsourcing Payroll" (top-right), "Changes to Voluntary Deductions" (bottom-right), and "Connection between Kronos and Payroll Processing" (bottom-left). The diagram is decorated with several smaller yellow and blue circles of varying sizes scattered around the main elements.

Payroll Clarity Project

Move to
Positive Pay/
Biweekly Pay
Cycle

Outsourcing
Payroll

Connection
between
Kronos and
Payroll
Processing

Changes
to
Voluntary
Deductions

Primary Questions and Concerns

Over the course of this project, our employees have asked some great questions and raised valid concerns. Within this presentation, we aim to address many of the questions and concerns we've heard often.

Timing

Why is this happening now? Why can't we remain on a 12-month schedule?

Employee Groups

How do we define our employee groups?
What is the individual impact for these groups?

Essential Info

How can I get an idea of what my paychecks will be like? What will W2s look like? Do I need to adjust my direct deposit? How and why are my voluntary deductions changing?

FAQs

How will holidays be handled? Can I apply for unemployment? Where do we catch up on the processing week? Can accrued leave be bought out? How will building closures be covered?

● Why are we making this move now?

In the last year, the Albemarle County Finance Department completed an audit of current payroll processing issues. During this audit, enough risk was present to warrant an immediate change in processing to reduce the risk associated with current processing, both for the county and the individual.

Because Albemarle County Public Schools' payroll is processed by the local government, ACPS employees are making this change as well.

We know that this change, like all change, will seem difficult and overwhelming. We also know that there are currently a lot of unknowns as we transition to this new method of pay and that may cause some stress and uneasiness. However, this new method will eventually feel like second nature to you.

● Why are there differences between employee groups?

Employees are identified as either non-exempt from the Fair Labor Standards Act or exempt from those standards. Here's a way to figure out which is which:

Non-Exempt Employees

Employees in this group get paid by the hour and are eligible for overtime pay. They may work 10, 11, or 12 months depending on their job. The number of days and hours worked in each pay period may vary for employees in this group.

Employees in this group include, but are not limited to: teaching assistants, bus drivers, custodians, school nurses, office associates, and child nutrition staff.

Exempt Employees

Employees in this group are paid an annual salary that is consistent across all pay periods. As such, it can easily be divided by the number of pay periods that exist. Employees in this group are not eligible for overtime pay.

Employees in this group include, but are not limited to teachers, managers, directors, principals, assistant directors, assistant principals, supervisors, and some central office staff.

● What do the different employee groups mean regarding pay and payroll changes?

Non-Exempt Employees

- Clock in and out of Kronos to indicate hours worked
- Eligible for overtime pay
- Hours may vary from one pay period to the next
- Positive pay means they will receive paycheck one week after the pay period ends. This will include any exceptions worked.
- Will only be paid for hours worked.
- Pay will not be withheld like it is now to cover non-work times.

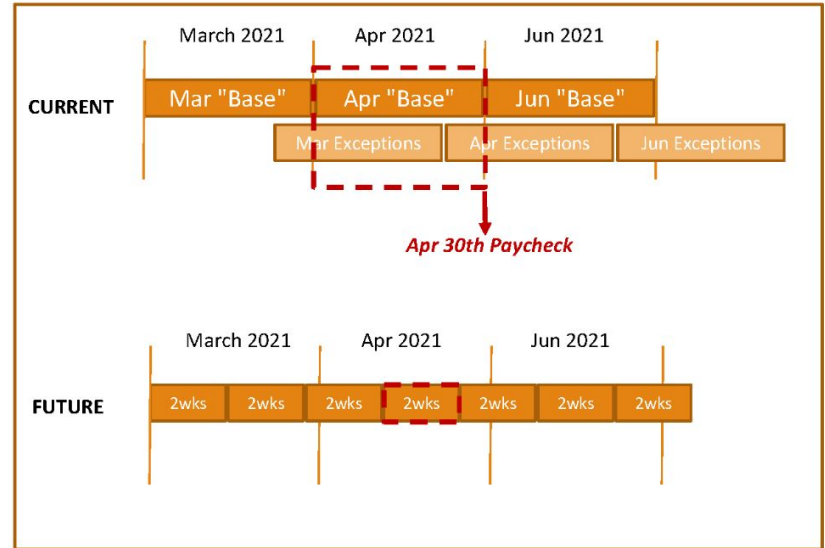
Exempt Employees

- Kronos is used only for leave purposes
- Since pay is consistent across the times worked they will have evenly divided bi-weekly paychecks.
- While teachers typically work 10 months, FLSA regulations allow them to have pay spread across 12 months.

● Pay Cycle Now and Then

On our current Pay by Exception method, employees receive a check on the last business day of the month that includes their base pay for that month, plus exceptions processed for the previous month. You can see the alignment in the chart to the right.

With the Positive Pay method, employees are now paid for hours worked within each pay period, meaning that any overtime or other exception pay will be processed for the next paycheck.



● Transition Assistance

As we transition from our current model of pay to Positive Pay and a 26-week pay cycle, we recognize that challenges exist as the shift occurs. We have the following options available to help.

True-Up Pay

In the Pay By Exception model, some of our employees have pay held back each month that was used in checks during the summer months. Employees who have had this pay withheld during the 2021 calendar year will receive that pay in a check in January called a “True-Up” payment.

Pay Advance

ACPS is offering employees the option of a one-time pay advance of 80 hours to help with the transition to Positive Pay. This money is will be taxed and will need to be repaid by the end of June. Automatic deductions will be taken out evenly from each paycheck between January and June for repayment.

How do I know if I should take the advance?

Use the Pay Transition Calculator to see an estimate of what your checks will look like with and without the pay advance option. This should help you determine if you want to take the advance or not.

● Some more essential information

As we transition from our current model of pay to Positive Pay and a 26-week pay cycle, we recognize that challenges exist as the shift occurs. We have the following options available to help.

Will my W-2 look different?

Your W-2 will be representative of all earnings through the end of the calendar year. That amount is what will be taxed.

Do I need to make any changes to my direct deposit?

Employees will need to confirm their direct deposit information in January when they sign up with ADP.

If you currently have a specific amount of your paycheck be routed to a different account you will want to check to see if you need to change the amount or change it to a percentage of your check. Not sure if this applies to you? Check Greenshades.

Will organizations still give employees discounts that were given with voluntary deductions?

Yes, ACPS employees will continue to receive discounts as determined by the individual organization

● Some more essential information

As we transition from our current model of pay to Positive Pay and a 26-week pay cycle, we recognize that challenges exist as the shift occurs. We have the following options available to help.

How will this change affect medical and dental benefits?

The yearly cost of benefits will remain the same for the 2023 year.

However, for our 10- and 11-month employees, the monthly premium may seem more expensive than usual, because the deductions are spread evenly across the first two paychecks during the month for the months in which you work. Although there are no deductions during non-work months, our employees will still be able to access their benefits.

12-month employees will have medical and dental deductions taken from the first two checks of each month year round.

What paychecks will health and dental benefits be deducted from?

Medical and dental benefits are deducted in even amounts from the first two paychecks of the month. For months with three checks (April and September), benefits will not be deducted from the third month.

● Frequently Asked Questions

Will we still be compensated for building closure days?

We will be following Policy GCQC, which states that employees will be paid administrative leave for scheduled hours missed due to building closures.

Is ACPS withholding any pay for summer months or holidays?

On the new Positive Pay system, ACPS will not be retaining any employee pay. Each paycheck will include pay for hours worked during the pay period.

What about holiday pay?

We will continue to follow School Board Policy GCC, Holiday Leave. No changes will be made to this policy.

Can I apply for unemployment?

ACPS does not determine eligibility for unemployment, and therefore cannot guarantee that any of our employees will receive unemployment benefits.

Visit the Virginia Employment Commission website for more info.

● More Frequently Asked Questions

Can employees use leave accrued over the summer?

ACPS employees may only use accrued leave time during scheduled hours. Because employees will not have scheduled hours during the summer, they cannot use leave.

Can employees buy out accrued leave?

Because not all ACPS employees have accrued leave, this is not an option we offered in order to provide equitable options for our staff.

Why are there only 25 paychecks on the paycheck calendar?

As some of you have noticed, the 2022 paycheck calendar lists 25 checks, rather than 26. This is because the first pay period begins on January 1, and there is a week for processing after the end of the two-week pay period. The last two weeks of December will be paid on January 6, 2023.

How can you be best prepared for the payroll change?



Start planning now: Use the payroll calculator to get a rough estimate of what each of your paychecks will be



Pay close attention to your timecard: Check for accuracy before you approve it, and approve it on time



Start saving: If you will not be receiving paychecks during school break times, consider how you will save money so that it is available during those times. Saving about 15-20% of each paycheck will help you ensure that funds are available for you.



Start saving: If you receive true up pay it is recommended that you save all of that so that it is available later in the year. This is especially important for our 10- and 11-month non-exempt employees.



Start planning: Think about when you currently pay your bills. You may have to move the deadline to align with your paychecks



Start planning: Consider working with the free financial planners our employees have access to online or by phone or in person.

Timecard Accuracy — Using Kronos

Non-Exempt Employees

Check for accuracy before you approve your timecard:

- Is the time worked correct?
- Are your exceptions correct?
- Are your totals correct?

Beginning Jan. 1 there will no longer be “leave washing.”

Exempt Employees

You will no longer see a set schedule on the time card.

- Are all leave days accounted for?
- Did you do any paid extra work? If so, work with your timekeeper to ensure that is accounted for prior to approval.

All employees are required to approve their time card at the end of their workday on Friday.

Practice getting good at Kronos now!



Breakout Time!

Breakout Group Protocol

You will be randomly assigned to a breakout group. Please follow this process in your group:

1. Introduce yourself! Share your name, what you do in ACPS and where you work.
2. Think about the initial questions that you had. Are there any that you didn't hear the answer to?
3. Check with your group – Did any of them hear something that you may have missed?
4. Make sure each person in your group has a chance to talk!
5. Are there unanswered questions? Please add them to the jamboard.

Note – If your group has difficulty with accessing or using the jamboard, please have one person come back to the main room and we will send assistance your way.

What's next?

This presentation will be posted on our ACPS Payroll Clarity website so you may go back and review it any time.

The questions from the Jamboards will be added to our Frequently Asked Questions and the responses will be posted on the ACPS Payroll Clarity website.

Practice Kronos!

Plan and prepare for the payroll change.

Pay attention to information that is shared through the Division Compass.

Be willing to ask for help.

Pay by Exception:

The County's regular employees are paid 1/12 of their annual salary each month, regardless of the number of working days in that month. This amount is then adjusted by Pay Exceptions.

Pay Exception:

An amount of money by which a regular employee's monthly salary is adjusted. Some examples are: Overtime, Straight Time Pay, Leave Without Pay, Evening Differential

Positive Pay:

Temporary employees are paid for hours worked or a fixed amount for a specific job. They are only paid if they work.

How Pay Works at Albemarle County

Regular employees are paid on the last working day of the month and are paid by exception

- Each monthly check is 1/12 of the employee's annual salary
 - This is adjusted by any exceptions from the exception period on the Payroll Deadline Calendar
 - Exceptions could increase or decrease an employee's pay.
 - Examples of exceptions:
 - Overtime
 - Straight Time Pay
 - Leave without Pay
 - Evening Differential

