

Notice for 12-Month Employees

Annual/Fiscal Year Salary Distribution Change

The paycheck you receive on June 27, 2008 will be the last paycheck for the current 2007-2008 fiscal year. It will include the final payment of your annual/fiscal year salary for the 261 day work year which began on July 1, 2007 and ends on June 30, 2008. This means that although the date of the final pay check is **June 27, 2008**, you are being paid in advance for working through **June 30, 2008**.

Since you are being paid for the June 30th work day in the paycheck you receive on June 27th, and because of a change to the way annual/fiscal year salaries will be distributed, your first pay check for fiscal year 2008-2009 will be calculated based on only the **9** days worked from July 1 to July 11, 2008. This means your first pay check for the new fiscal year will be less than normal. All the remaining pay dates in the fiscal year will be calculated based on a **10** work day pay period and the number of work days in the fiscal year.

This is a one time salary distribution change! Here are some of the questions we anticipate:

What is the current method of annual/fiscal year salary distribution?

Unless an employee is hired after the start of the fiscal year, the annual/fiscal year salary is currently divided by 26 and paid out in 26 equal installments from July to June of the next year. This method of salary distribution frequently results in employees being “paid in advance” and large adjustments being necessary when an employee resigns mid-year. This problem increases gradually in future fiscal years. The salary distribution change we are making will “fix” the problem permanently.

What happens currently when we move from one fiscal year to the next?

Depending on the calendar, the first pay period in July frequently includes one or more work days from the previous month. Those June work days are really part of the preceding fiscal year. If an annual salary increase is approved for the new fiscal year, the first pay check in July has traditionally included the raise and was simply 1/26th of the annual salary, regardless of how many days were worked. A change is necessary as HR/Payroll now has the ability to apply the raise only to the days worked in the new fiscal year.

How will this change help?

Changing the way salaries are distributed will allow earnings from one fiscal year to be processed and paid at the “old” rate of pay, while the earnings from the next fiscal year are processed and paid at a “new” rate of pay. It is now possible to process earnings from one fiscal year in the first pay period of the next fiscal year and to process those earnings based on the appropriate annual/fiscal year salary. In addition, employees will be paid as they work and earn salary. This means pay will be “current” and the issue of employees being “paid in advance” will be eliminated.

Am I being shorted or docked for one day of work in one of the fiscal years?

No! If you worked (or used paid leave) for the entire 2007-2008 fiscal year which began on July 1, 2007, you will receive the final payment for your total 2007-2008 annual/fiscal year salary on June 27, 2008. This is the last payment for the 261 day work year which ends on June 30, 2008. Then if you work (or use paid leave) for the entire 2008-2009 fiscal year which begins on July 1, 2008, you will receive your total annual/fiscal year salary for the 261 day work year which ends on June 30, 2009. The final pay date for this fiscal year will occur on June 26, 2009, with the last two work days paid out in the check dated July 10, 2009.

Please share this information with anyone who may be affected by this change. It is somewhat complex and may be hard to understand. Employees need advance notice about it so they can plan accordingly. The Human Resources and Payroll Departments are committed to ensure that all employees are paid correctly and making this change now will “fix” the annual/fiscal year salary distribution problems for future fiscal years. If you have any questions, please contact Human Resources at extension 8033 or Payroll at extension 8100.