



## **Pay Frequency of West Virginia State Government Employees**

### **Frequently Asked Questions for State Employees To Prepare For the Transition from Semimonthly to Biweekly Pay**

#### **WAVE 2 DEPARTMENTS**

**Action taken:** On April 23, 2013, the three members of the West Virginia Enterprise Resource Planning (ERP) Board, comprised of Governor Earl Ray Tomblin, State Auditor Glen B. Gainer III, and State Treasurer John D. Perdue, voted to move West Virginia's payroll process from semimonthly to biweekly pay for all state employees. On March 5, 2014, Senate Bill 322 was passed and subsequently signed into law March 14th allowing the frequency of state employee pay to change.

On April 13, 2016, the ERP Board voted to proceed with the implementation of the remaining Wave 2 agencies who have demonstrated, through accuracy and timeliness of payroll testing, their readiness to proceed to participate in going live with wvOASIS commencing on May 14, 2016. The first pay check issued by wvOASIS will be June 10, 2016. The June 10<sup>th</sup> pay date reflects payment in arrears (two weeks withheld) for employees of Wave 2 agencies.

Wave 2 agencies consist of the following:

- All Agencies (currently paid semimonthly) with the exception for: the Supreme court of Appeals, West Virginia University, Marshall University, Department of Health and Human Services (except for Health Care Authority and Human Rights) and State Police.

#### **Frequently Asked Questions**

**Q 1: Why is the State making this change?**

- A: The transition is part of a system wide plan to bring employees at all state locations into a standardized pay schedule, with the goal of improving the quality and efficiency of the State's business processes. The new system provides several benefits, including:
- A systematic approach to payroll time recording
  - Standardized payroll cycles across all locations
  - More efficient and accurate time reporting based on actual hours worked
  - Compliance with FLSA regulations
  - Fewer manual adjustments in subsequent pay cycles caused by under or overpayments

**Q 2: How often are State Employees paid currently?**

- A: Except for employees of Wave 1 agencies that went live with wvOASIS last May 16, 2015, State of West Virginia pays employees in 24 pay cycles (semimonthly). The number of days in the pay period and day of the week employees receive their pay varies each pay cycle.

**Q 3: With this decision, how often are employees paid?**

A: When employees go live in wvOASIS they will be paid biweekly (or every 14 days). Employees will be paid every other Friday in 26 pay cycles. Employees are encouraged to view the 2016 biweekly pay calendar found on the [www.wvoasis.gov](http://www.wvoasis.gov) website

Please note: Pay days falling on a State holiday that coincides with a recognized banking holiday will be paid the business day prior.

**Q 4: Can I choose not to go biweekly?**

A: No. All employees will be making the switch to biweekly pay.

**Q 5: Will the employee's annual salary change?**

A: No, under a semimonthly payment cycle, you were paid over 24 pay periods. With biweekly payment cycle, you will be paid the same salary over 26 pay periods.

**Q 6: Will the amount of an employee's biweekly paycheck be different than it is currently?**

A: Yes, your biweekly gross pay will be 7.69% less than your semimonthly pay due to dividing the same salary amount by 26 rather than 24.

Hourly employees will be paid for hours worked during the 14-day pay period. Tax withholdings and deductions will vary, and net pay will be less with biweekly pay (as compared to semimonthly pay).

**Q 7: How does my net disposable income change from month-to-month?**

A: Ten of twelve months net income will be slightly less and two months each year net monthly pay will increase because of the third payment. March and September of 2017 contain three pay periods.

**Q 8: How does this conversion to biweekly pay benefit State Employees?**

A: Employees soon will realize the benefit of being paid every other Friday. More frequent and consistent payments will help employees from a financial planning perspective. Employees will no longer need to stretch pay over three weekends. Employees eligible for overtime will be compensated for the period the overtime hours are worked in a timelier manner. Earned vacation and sick leave balances will be kept current from pay period to pay period.

**Q 9: Will this action affect the employee's health care and retirement benefits?**

A: The ERP Board has confirmed with benefit providers (PEIA, CPRB, Mountaineer Flexible Benefits, etc.) to spread applicable deductions across the new biweekly pay periods to minimize the impact on the employee's net pay. Just as your salary divided by 26 payments will be less when compared to semimonthly salary, deductions divided by 26 will also be less when compared to deductions taken semimonthly.

However, during the transition in June 2016, your insurance premiums; examples: PEIA and Mountaineer Flex, will be collected under the previous monthly payment structure of 1/24<sup>th</sup> to complete the plan year ending June 30<sup>th</sup>. Your retirement deduction per pay period, which is a percentage of your gross wage, will also be reduced due to the reduction in your gross wage amount.

**Q 10: What should I do to prepare for the change?**

A: It is important that you review your personal budget situation and determine how to match your expenditures with your new biweekly pay schedule. In preparation for the conversion, we suggest that you take the following steps:

- Review your current federal / state tax withholding exemptions to make any necessary changes.
- Pay particular attention to 'additional' tax withholding amounts.
- Request that creditors adjust your automatic withdrawal or bill-pay dates to align with your new pay schedule.
- Review and confirm any voluntary "per pay" deductions to make adjustments for the 26 pay cycles.

**Q 11: Will I need to make any changes to my direct deposit?**

A: No. If you currently have your pay direct deposited, you do not need to make a change.

**Q 12: What if I pay some of my bills through automatic bill pay?**

A: If you have automatic bill pay set up from your account for regular expenses such as mortgage payments, utilities, student loan payments or car payments, you may want to make arrangements with your financial institution to realign payment dates. We encourage you to work directly with your financial institution(s) to change payment dates as needed in advance of receiving your first biweekly pay.

**Q 13: Will the change in pay frequency affect my sick and vacation accruals?**

A: Yes. Sick and annual leave accruals will be earned each biweekly pay period. The amount of leave earned during the pay period is based on the hours worked during the pay period. Leave balances are accumulated each pay period and reflect any leave hours taken during the pay period. Monthly accrual rates have been converted to a biweekly accrual rate. However, your maximum yearly accrual will not change.

**Q 14: I have a garnishment deduction. How will the transition to biweekly pay affect the amount deducted for my garnishment?**

A: 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 other non-percentage garnishments, they will be converted to biweekly deduction amounts as well.

**Q 15: I contribute to my West Virginia Plus (457) and SMART529 plans. When will my contributions be taken?**

A: Your voluntary contributions through payroll will be deducted each biweekly pay period. The amount of the voluntary contribution per pay cycle can be reduced by the employee through their payroll administrator so the amount of contribution over the year remains the same.

**Q 16: Will I need to make changes to my Federal and State tax withholding?**

A: Federal and State taxes are calculated by the system based on your gross wages, marital status, number of personal allowances you claim and any additional tax you choose to have withheld (forms W-4 and WV IT-104). If you have an additional tax amount deducted

from your paycheck each pay period, the additional amount will be withheld from each biweekly check. If you want to discontinue or reduce the additional tax amount withheld each pay period, please complete a new W-4 and/or IT-104.

**Q 17: How does the change in pay frequency affect my Federal and State income taxes?**

A: Your income will continue to be taxed according to the Federal and State tax regulations and the personal elections you make on your W-4 and WV IT-104 federal and state withholding forms you currently have on file. Your biweekly earnings will be taxed based on the biweekly tax schedules set by the Internal Revenue Service.

**Q 18: Will the change in pay frequency affect state retirees?**

A: No, retirees will continue to be paid monthly.

**Q 19: Will I still get my increment pay?**

A: Yes, at the end of July.

**Q 20: Did the change in pay frequency require Legislative changes?**

A: Yes, the Legislature amended W. Va. Code §6-7-1 regarding pay frequency during the 2014 legislative session to permit state employees to be paid “at least twice monthly” rather than “twice monthly.”

**Q 21: What if I have more questions?**

A: Please contact the Enterprise Resource Planning Board (wvOASIS Project) by emailing [EnterpriseReadiness@wvOASIS.gov](mailto:EnterpriseReadiness@wvOASIS.gov)