

Benefits Bulletin

Volume 5, #5

To Inform and Educate Archdiocesan Leadership



Update IPBS Project Payroll and Time Keeping Systems

I wanted to send you this update to honor our pledge to keep you informed on progress for this important and timely project. As Archbishop Sartain wrote in his letter to you in late October, and repeated in his letter to employees, "...the process of a diocesan-wide change has its challenges. I have also witnessed the tremendous benefits that standardization such as this brings..."

We continue to work through some of those challenges. Now that most of the major decisions have been made, we're getting back on track with our communications plan and are on target for our January 1 go live date. Please see "Tools You Can Use" and "Employee Communication" on the back page for additional details.

The first piece you should review if you haven't already seen it is the video presentation by Mary Santi with an introduction by Archbishop Sartain. It does a really good job of setting the context for the project and is something that can be shared with your employees, if you wish. The link for the video was sent to Payroll Administrators on October 31. Copies of the DVD were mailed to all locations November 6. In case you need the link, the video can be accessed at <https://skydrive.live.com/?cid=d02dc81d5e8e966a&id=D02DC81D5E8E966A%21115&sf=1&authkey=!APYwyLv/CQcPltI>.

Even though we are on target for our January 1 go live date, we still need help from you in three priority areas to get to the finish line: paycards, training and implementing the pay adjustment(s). Details are described on the following pages.

*Thank you,
Geraldyn Mirante-Marley, CEBS
Benefits Services Director*

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Keep in Mind

The payroll system and paycheck frequency change will benefit all of our employees and are essential if we are to continue offering health coverage, retirement and other benefits to employees.

We understand that change is difficult. We're here to help you through this change. If you need help or have questions, just ask.

The Go Live! Date

January 1, 2014

NOVEMBER 2013

Priority #1: Paycards

After December 31, 2013 we will no longer issue paper paychecks, to reduce costs and administrative burden. We would prefer that **all** employees receive their pay via direct deposit. However, we cannot **force** an employee to accept direct deposit; as a result, any employee who does not choose direct deposit will receive their pay via a paycard (similar to a reloadable ATM/credit card).

Here's where we need your help: please urge employees to sign up for direct deposit. While the paycard is a useful option, most employees will be better served by using direct deposit because it is possible for employees to incur fees for some types of paycard transactions. There are ways to use the paycard without paying fees; however, employees will need to be careful to avoid certain types of transactions to avoid fees.

Although the paycard option is available to everyone, prior to our go live date we are going to target our communications to those who do not currently have direct deposit. If an employee who has direct deposit also wants a paycard, they can arrange for one with the Payroll Services Office.

In late November, employees who are not using direct deposit will receive information about how to use the paycard (as well as another opportunity to sign up for direct deposit). A fee schedule will be included with the paycard information.

Training Issues or Payroll Questions?

Contact the Payroll Services Office*

Email: PayrollServices@SeattleArch.org (preferred)

Call: 800-348-9092
206-274-7662

*Please do not contact Ultimate

Priority #2: Training

A successful payroll transition requires everyone to have an appropriate level of training. **Please make sure your PAAs, bookkeepers, supervisors and employees engage in the self-directed training modules as soon as possible.** This training is necessary if these employees are to perform their payroll-related job duties capably.

We'd like all payroll administrators and supervisors to complete their training by the end of November, if possible. That way, when employees begin their self-training in December, payroll administrators and supervisors can support them and answer their questions.

Soon after we launched our training plan, we found that Ultimate had not clearly communicated to us that:

- All training issues and questions must go through the Payroll Services Office
- Ultimate's online registration system cannot accept non-business email addresses, and to track training, email addresses must include the person's name.

Therefore, Ultimate helped us revise our training plan and create a step-by-step training guide, which we emailed to PAAs, bookkeepers and business managers on November 5. We think these new materials make it easier and more convenient to complete the training.

To get around Ultimate's email address restrictions, they sent us special links for their prerecorded sessions. These links are embedded into the **UltiPro PAA Bookkeeper Training Guide. PDF**. To access the training, PAAs, bookkeepers and business managers will need to open the guide, and then while pressing their computer's control button, click on the clearly labeled link. Ultimate also helped us set up a special training registration form that can accept non-conforming email addresses.

It is inevitable with projects of this scope that there will be some bumps along the way. Thankfully, the bumps in our training plan were easily fixed.

Priority #3: Pay Adjustments

Payroll Lag Adjustment

In the last Leadership Bulletin we described one of the most complex aspects of the transition to the new payroll system: the payroll lag – and our solution – a payroll adjustment. If you need a refresher, you can go back and re-read the September Leadership Bulletin, posted at: www.SeattleArchdiocese.org/Assets/HR/4067_LeadershipBulletinVol54.pdf. It's also posted on the administrator's portal of the BSO website.

All employees regularly scheduled to work 20 or more hours per week will be eligible for a payroll adjustment – this is true regardless of your location's previous payroll cycle. Employees regularly working less than 20 hours a week will not be eligible for a payroll adjustment. However, each location can decide whether or not to provide loans to those employees; the location will be responsible for administering loans and repayment.

To receive the payroll adjustment:

- **Employees** must sign and return the Payroll Lag Adjustment Agreement to their location payroll administrator by **December 10, 2013**.
- **Locations** must copy the agreements for their records and forward them to the Payroll Services Office no later than **December 16, 2013**.

For employees who don't think they'll need the payroll lag adjustment, you may want to make sure they have considered that the first 2014 paycheck will be for only a few days of work, rather than 10 days like a normal bi-weekly pay check.

- **Pay group 1 employees** will receive only three days of pay in their first paycheck (January 14) and 10 days of pay in their second paycheck (on January 28). Without the payroll adjustment, they may not have enough pay in their first paycheck to cover their benefit deductions.
- **Pay group 2 employees** will receive only one paycheck in January, for only eight days of work. Therefore, the whole monthly amount for flat rate deductions will be taken from January 21 paychecks.

This could be a hardship for some employees, **so please do everything you can to encourage employees to be aware of the payroll lag adjustment and to follow the necessary procedures to receive an adjustment**, if desired. This is a one-time opportunity. Employees who miss the Agreement deadline could experience cash flow issues in January.

Any employee with a covenant will receive a covenant adjustment to their bi-weekly paychecks. This adjustment will make up the difference between their monthly pay and what they will receive over two (bi-weekly) pay periods.

Covenant Adjustment for Principals and Teachers

Principals and teachers have a covenant in which the school has agreed to pay them their salary monthly. Because bi-weekly paychecks are a departure from the covenant, they will receive a "covenant adjustment" to their paycheck through the remainder of the covenant term (June 30 for principals and August 30 for teachers).

For a full-time employee, the covenant adjustment will be equal to 6.66 hours (per bi-weekly pay period) *multiplied* by their hourly rate. If the employee works less than full time, the hours will be pro-rated. Most months, two bi-monthly paychecks plus two bi-monthly covenant adjustments will equal their monthly salary.

With bi-weekly pay periods, employees usually receive two paychecks in a month; however two months a year employees receive three paychecks in a month. To prevent overpaying an employee with a covenant, covenant adjustments will be deducted from those three paychecks, so that the sum of those three paychecks will equal their monthly salary.

Starting with the 2014 school year, covenants will be based on bi-weekly pay periods, not monthly pay periods as they are now.

Usually flat dollar deductions will be taken from the first two paychecks of every month and percentage based deductions will be taken from all 26 paychecks.

Tools You Can Use

- Frequently asked questions and answers are posted on www.SeattleArchBenefits.HRinTouch.com
- Payroll comparison calculators (monthly or semi-monthly to bi-weekly) are posted on www.SeattleArchBenefits.HRinTouch.com

Please send your comments, questions and other feedback to:

Payroll Services Office
Archdiocese of Seattle
206-274-7662 or 800-348-9092
PayrollServices@SeattleArch.org

Employee Communication

Mailed late November:

- **A paycard reference brochure** will be mailed to employees who are not currently paid by direct deposit (and a copy will be sent to you to have as a reference).
- **A newsletter** describing features of bi-weekly pay periods, the payroll lag – and for those scheduled to work 20 or more hours per week – the amount of the payroll lag adjustment for which they are eligible.

The newsletter will include their Payroll Lag Adjustment Agreement, which employees must turn in to their location payroll administrator by December 10, 2013 to receive the payroll adjustment. Those agreements then need to be copied for the location's record and forwarded to the Payroll Services Office no later than December 16, 2013.

Teacher and principal newsletters will include information about covenant adjustments.
