Semi-Monthly Payroll

July 12th, 2023 11:00AM (original slides 1 – 14)
Addendum slides 15 - 18 added on July 13, 2023

Semi Monthly Payroll: What is Changing?

Monthly/exempt paid employees will begin to receive approximately half their monthly pay on the 15th of each month and the remaining half on the last business day of each month.

- If either day falls on a weekend or holiday, employees will be paid on the prior business day.

- There will be no change to employee's total monthly pay, benefit deductions, or direct deposit elections. Payroll deductions will be evenly divided between the two semimonthly pay periods with no action required by depts.

- Under this new pay frequency, exempt employees will be paid 24 times per year rather than the current 12 times.

Semi Monthly Payroll: What is Not Changing?

Non-exempt/weekly paid employees are not impacted by semi-monthly payroll:

- Non-exempt employees will still be paid once per week
- Non-exempt time and payroll deadlines remain the same
- Student payroll is unimpacted
- Student stipends will still be paid in the 4th weekly cycle of each month

Employee accrual earnings and awards do not change. Vacation and sick accruals will still be awarded on the first of the month following the period the accrual was earned.

- For example: sick/vacation earned for July are awarded August 1st.

Semi Monthly Payroll: Work Schedules and Pay

- While there are no changes to work schedules or the mechanics of how daily pay is calculated, users need to be aware of the new payroll cycle's impact for exempt employees. Below is an example of the difference in how pay per day will be calculated:

$10,000	Monthly	M-F schedule	Dollars per working day
1st - 31st	$10,000	23 working days	$435

$5,000	Semi monthly	M-F schedule	Dollars per working day
1st -15th	$5,000	11 working days	$454.55
16th - 31st	$5,000	12 working days	$416.67

Semi Monthly Payroll: Form Changes

The Org Management (OM) and Personnel Actions (PA) forms will remain mostly unchanged except for the Recurring Payment form:

- As of 8/1/23 there are now two pay periods for exempt employees per month. A recurring payment dated 8/1/23 – 8/31/23 for $2,000 per period will pay a $2,000 payment on 8/15/23 and 8/31/23 for a total of $4,000.

- Any current recurring payments on SAP as of 8/1/23 will automatically be split for you, no need to make any corrections. For example, a payment already on SAP originally dated 1/1/23 – 12/31/23 for $2,000 per period will be split to a payment of $1,000 per period as of 8/1/23 and go through 12/31/23.

Semi Monthly Payroll: Form Changes

The remaining OM and PA forms are mostly unimpacted with the only difference of annual salary being calculated by 24 pay periods instead of 12 pay periods. Below is an example from the Position Change, Transfer and Employee Position Update forms:

Hours per month are now hours per period/semi monthly value

Work schedule and assignment remain the same

Work Schedule

* Work Schedule ... : F08MO1N1 (8 Hour 5 Day) P08A   * Percent Time Employed: 100.00

Assignment Duration: 12 Month - 52 Weeks   Hours per Period   86.67

Basic Pay

Pay Scale Type: Staff Exempt   Pay Scale area: Boston

Pay Scale Group: PG51   Pay Scale Level: 00 (91,200.00 - 182,400.00)

Payroll Accounting Area: Semi-Monthly Payroll

* Amt Per Pay Period: 1,000.00   Estimated Annual Salary: 24,000.00   Recalculate Salary

The new calculation for the Estimated Annual Salary that SAP uses is:
amt per pay period * (assignment dur. * 2)

For exempt employees, monthly amounts are now semi-monthly values

Salary Cost Distributions:

Users do not have to submit multiple cost distribution forms if an entire month's pay, two semi-monthly payments, is to be charged to a certain set of order #s/cost centers. This applies even if adjusting periods crossing over from monthly to semi-monthly pay periods.

- Example: an employee is paid:
  - $5,000/month for 6/1 – 7/31/23
  - $2,500/semi monthly on 8/15 and 8/31

Only a single cost distribution change for 6/1/23 – 8/31/23 is required. Just be aware, depending on the start date, the form might display the monthly amount vs semi-monthly amount. In the case above, $5000 will be displayed due to the start date of the dist. change (6/1), but the distribution change will apply the same to each $2,500 semi-monthly payment.

Salary Cost Distributions continued:

Please remember for faculty accrual that a cost distribution adjustments moves both the money paid in a certain period and the accrual "banked" in that period. Semi monthly payroll will not change this behavior.

Semi-monthly payroll has no impact on PAR reporting.

Semi Monthly Payroll: Form Changes

From Type	Form Name	Changes	Description of Change
Organizational Management	Create Position	No	
Organizational Management	Maintain Position	No	
Organizational Management	Delimit Position	No	
Personnel Action	Additional Payment	No	
Personnel Action	Recurring Payment	Yes	For recurring payments there are now two pay periods per month.
Personnel Action	New Hire	Yes	Exempt pay calculated by 24 periods (or prorated)
Personnel Action	Position Change	Yes	Exempt pay calculated by 24 periods (or prorated)
Personnel Action	Transfer	Yes	Exempt pay calculated by 24 periods (or prorated)
Personnel Action	Employee Position Update	Yes	Exempt pay calculated by 24 periods (or prorated)
Personnel Action	Salary Change	Yes	Exempt pay calculated by 24 periods (or prorated)
Personnel Action	Salary Cost Distribution	No	
Personnel Action	Secondary Work Payment	No	
Personnel Action	Leave Of Absence	No	
Personnel Action	Termination/Retirement	No	

Semi Monthly Payroll: Potential Errors

Users will encounter two types of errors:

After the 8/1/23 semi-monthly go-live any position change, transfer, or employee position update moving an employee from weekly to monthly with a retro effective date earlier than 8/1/23 will error. This will also apply to any exempt hires/rehires retro to 8/1/23. HR Systems will be notified and correct these records once they go through workflow and crash/error out.

Any EPUs or Salary Changes for exempt employees with an effective date 8/1/23 or earlier will receive a "future dated action exists" message when trying to save the form. To get around this:

- Submit the form for 8/2/23

- Once the form completes please send an e-mail to hrsys@bu.edu asking us to backdate the form to XX/XX/XXXX date. Please include tracking #

As of 8/1/23 users need to be careful processing *new* recurring payments prior to 8/1/23. If a new $1,000 retro recurring payment from 1/1/23 – 12/31/23 is created the payment will pay the following:

- 1/1/23 – 7/31/23: $1,000/month
- 8/1/23 – 12/31/23: $1,000 on the 15th and end of month ($2,000/month)

Recommendation: two recurring payments be processed, a payment for 1/1/23 – 7/31/23 and a second for 8/1/23 – 12/31/23

In the situation of an intended payment from 7/1/23 - 12/31/23 it would be best to create a single *additional payment* for July 2023 and then a *recurring payment* for 8/1/23 - 12/31/23.

Semi Monthly Payroll: BW Reporting

BW Reporting will not change however you will need to make sure you are closely looking at the pay period(s) for which you are reporting on. Remember that there are now two pay dates and posting dates per month for exempt employees.

The labor distribution reports are the most commonly-used BW reports in the HCM area. The big difference due to the Payroll Area change in these reports is that with S1 two monthly payment entries will be displayed in lieu of a single period. Total payment amounts for a single month will of course not change.

Semi Monthly Payroll: Payroll Deadlines and Offcycles

- Payroll calendars can be found here and now include approval deadlines: https://www.bu.edu/payroll/resources/payroll-calendars/

- The following is an example of when forms must be completed for August's payroll runs:
  - Pay date Tuesday Aug. 15th, OM and PA forms submitted and completed by 8/4/23
  - Pay date Thursday Aug. 31st, OM and PA forms submitted and completed by 8/22/23

- There will be no off-cycle payroll on Tuesday, August 1st for the transitioning monthly population. This includes missed payments and/or on-demand terminations.

- We cannot process off-cycles in July with future dates. For example we can not process an off-cycle dated Tuesday August 1st on Friday July 28th.

Semi Monthly Payroll: Links

- Payroll calendars and form deadlines:
    - https://www.bu.edu/payroll/resources/payroll-calendars/ (form deadlines are in calendars)
    - https://www.bu.edu/hr/hr-systems/buworks-form-deadlines/

- Payroll Schedule change site for FAQs and question submission:
    - https://www.bu.edu/payroll/payroll-schedule-change/

- HRIS PA and OM help guides and form decision guide:
    - https://www.bu.edu/hr/hr-systems/process-and-help-guides/
    - https://www.bu.edu/hr/documents/ted-page-new.html

Please note, this slide was not in the original presentation and is being added to address some questions received during the Q&A session.

When processing an *Additional Payment* the effective date of the payment will dictate if the payment pays in the first or second pay period's check.

Additional Payments

* Effective/Start Date of Payment: 08/01/2023   Continue Editing Form

The date selected on the initial additional payment screen will dictate payment date

Additional Payments

* Effective/Start Date of Payment: 08/01/2023   Change Effective Date

🐾 **Employee Information as of 08/01/2023**

UID/Name: U99059602
Main Assignment: 50057685

On the second screen after clicking "create" the initial date entered on the previous screen for effective date will populate the start and end date. This will dictate when the payment will payout as a single payment.

Current Entries

	Start Date	Wage T...	Amount	Cost Center	Order Number	WBS Element	End Date	Distribution Descr
📄	08/01/2023	2001...	5,500.00				08/01/2023	Human Resources

Delete | Restore | Create | Check

In the example above, if entered and approved before the form deadline for the 8/15/23 payroll then $5,500 will be paid on 8/15/23.

In the example, if entered with dates 8/1 and approved retroactively on 10/1/23 the employee will receive $5,500 on 10/13's check (10/15 is a Sunday).   When running financial reports the dept will see the $5,500 payment with posting date of 10/13/23 and payment date/for period of 8/15/23.

Semi Monthly Payroll: Addendum for Recurring Payment

Please note, this slide was not in the original presentation and is being added to address some questions received during the Q&A session.

When processing a *Recurring Payment* the effective date entered on the first screen and end date entered on the second screen will dictate when the payment is issued and for how long:

The date selected on the initial recurring payment screen will dictate the start date of the series of payments

Recurring Payments

* All Recurring Payments Active as of this Date: 08/01/2023

Recurring Payments

* All Recurring Payments Active as of this Date: 08/01/2023   Change Date

🔅 **Employee Information as of 08/01/2023**

| UID/Name: | U99059602 | TEST COPY | | | | Status: | | Active |

On the second screen after clicking "create" the initial date entered on the previous screen for effective date will populate the start date and a user will key the end date. This will dictate the start/stop dates of the payment entered into the amount field during each payroll cycle between the two dates.

| 🗑 Delete | 🔄 Restore | 🗋 Create | 🔍 Check |

	Start Date	Wage T...	Amount	Cost Center	Order Number	WBS Element	End Date	Distribution Descrip
🗋	08/01/2023	2055... ▼	5,500.00				08/31/2023	Human Resources

In the example above, if entered and approved before the form deadline for the 8/15/23 check then $5,500 will be paid on 8/15/23 and another $5,500 on 8/31/23

In the example, if entered with dates 8/1 – 8/31/23 and approved retroactively on 10/5/23 then the employee will receive $11,000 on 10/13's check (10/15/23 is a Sunday).   When running financial reports the dept will see two $5,500 payments listed with posting dates of 10/13/23 and payment date/for period dates of 8/15/23 for one $5,500 payment and 8/31/23 for the other $5,500 payment.

Semi Monthly Payroll: Addendum for Cost Distributions

Please note, this slide was not in the original presentation and is being added to address some questions received during the Q&A session.

For Salary Cost Dist. changes the effective and end date of the distribution in relation to the earnings for a period will dictate which earnings are moved. For example:

- In Sept. 2023 an employee is paid $5,000/period and all payments are charged to "cost center A"
- The department needs to move $2,500 off "cost center A" to "order # B" within Sept's earnings

Its possible to move the $2,500 across both Sept. pay periods or just a single Sept. period

- Enter a distribution change for the entire month, 9/1 – 9/30/23 with a split of 75% to "cost center A" and 25% to "order # B" which will result in both pay periods being split 75/25:

Payment date: 9/15/23 (for earnings 9/1 – 9/15): $3,750 on cost center A $1,250 on order # B	Payment date: 9/29/23 (for earnings 9/16 – 9/30): $3,750 on cost center A $1,250 on order # B

- Change the dist. for just one of Sept's periods with 50/50 split. In example below the first period remains unchanged and an update for 9/16 – 9/30 is processed which will impact just the second pay period:

Payment date: 9/15/23 (for earnings 9/1 – 9/15): $5,000 on cost center A	Payment date: 9/29/23 (for earnings 9/16 – 9/30): $2,500 on cost center A $2,500 on order # B

The update you choose could depend on external constrains like funding end dates or needing to show pay from certain period(s) posted in a certain way.

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For Salary Cost Dist. updates it's important to remember to base your entries off the dates when salary was earned *for* and not when they were paid in. Semi-monthly payroll does not change this. For example:

- Employee has an initial pay rate of $5,000 per semi monthly pay period for 8/1/23 – 9/30/23
- On 10/5/23 the employee is increased to $10,000 per period retroactively to 8/1/2023
- This results in the following payments on the check issued Friday 10/13/23 (10/15/23 is a Sunday):
  - $10,000 for the current period of 10/1/23 – 10/15/23
  - $20,000 total retro pay which is made of up the following payments:
    - $5,000 retro for 8/1/23 – 8/15/23
    - $5,000 retro for 8/16/23 – 8/31/23
    - $5,000 retro for 9/1/23 – 9/15/23
    - $5,000 retro for 9/16/23 – 9/30/23
- The dept finds a need to move the payments for the original and retro Aug 2023 earnings.

Using a Salary Cost Dist form dated 8/1 – 8/31/23 will move the original $5,000/period ($10k total) paid in Aug. for Aug. and the retro $10,000 paid in Oct. for Aug.