

## **Pay Date Change – Effective June 30, 2012**

In response to budget cuts made during the 2011 Legislative Session, the Legislature authorized, and the Nevada System of Higher Education's Board of Regents implemented, a policy change related to payroll. In order to affect a one time savings this fiscal year, a change is being made to the pay date for all monthly paid employees from the last working day of each month to the first working day of the following month. This change will go into effect for compensation earned in June 2012. This change of one day results in approximately \$32.5 million in savings for NSHE for Fiscal Year 2012.

We should note that it was very beneficial to NSHE for the state to allow NSHE to keep these funds, as in many other states pay date shifts like this have been implemented and were used to provide savings at the overall state budget level, whereas NSHE was allowed to retain this savings. Without these funds the budget impacts in the academic areas (where most of these savings realized from the shift have been directed) would have been much more severe for FY12 and FY13, and some of the programs and staff that were identified for potential cuts would have had to sustain those cuts.

### **Effective June 2012**

Your normally scheduled payday of Friday, June 29, 2012 will be moved to Monday, July 2, 2012.

- All subsequent paydays will be moved to the first working day of the following month – **this will be a permanent change.**
- Paydays falling on a weekend or Holiday will be **moved to the day after** the weekend or Holiday. Below is the scheduled pay dates for the last half of 2012.

Monday, July 2, 2012	Wednesday, August 1, 2012
Tuesday, September 4, 2012	Monday, October 1, 2012
Thursday, November 1, 2012	Monday, December 3, 2012
- This change will affect all employees paid monthly, including academic and administrative faculty, graduate assistants, postdoctoral scholars, medical residents and letters of appointment **whether paid by paycheck or by direct deposit.**
- Although this change will affect the number of pay dates occurring in calendar year 2012, **you will be paid for every day that you work for NSHE.**

**Impact to State Classified (semi-monthly paid) Staff:** There is no impact for NSHE state classified staff. All pay dates remain the same.

### **IMPORTANT ITEMS FOR REVIEW**

It is important that you take the time to review the impact of these new paydays and plan accordingly. You should review the following:

[Before January 2012 payroll \(January 31, 2012 pay date\) is processed. Complete by 5pm, January 18, 2012:](#)

- Review your monthly deduction for the 403(b) and 457 voluntary retirement programs in January 2012. Annual limits for these programs are established by the IRS and are calendar year limits; therefore in 2012 monthly paid employees will have only 11 paychecks in which to maximize your contributions.

- Review your monthly deduction for your Health Savings Account (HSA) in January 2012. Annual limits for the HSA are established by the IRS and are calendar year limits; therefore in 2012 monthly paid employees who contribute to this program will only have 11 paychecks in which to maximize your contributions.
- Tax planning - By Federal law W-2 wages are reportable not when earned, but when the wages are received. Your 2012 W-2 will only reflect 11 months of earnings, not the normal 12 months. All subsequent years will reflect 12 months. As such you may wish to consider tax planning matters as this will reduce reported taxable income for calendar year 2012.

Before June 2012 payroll (July 2, 2012 pay date) is processed):

- If you have automatic payments coming out of your personnel bank accounts and they are currently scheduled to be deducted on the last day of each month (i.e. mortgage payments or auto loans) you may want to contact your lenders and change those withdrawal dates to the 4<sup>th</sup> of the following month or otherwise adjust your payment/savings schedule in order to avoid overdraft fees. *(depending on the specifics of the particular payment, someone may incur late fees due to this change—each person should review the specific payments being made and the consequences of this change—you may need to change your payment/savings schedule accordingly).*

Before November 2012 payroll (December 1, 2012 pay date) is processed. Complete by 5pm, November 19, 2012:

- If you wish to make changes to your withholding for 2012 in December 2012 then those changes will need to be made in employee self-service or received by the payroll office on, or before, November 19, 2012.

**IMPACT OF PAYDATE CHANGE ON HEALTH INSURANCE AND SUPPLEMENTAL BENEFITS**

- Health Insurance through PEBP – Health Insurance premiums are currently taken in the month the insurance is provided (January 2012 payroll deduction pays for January 2012 coverage), therefore effective June 2012 monthly paid employees will be paying for their health insurance in the month following coverage (July 2012 payroll deduction pays for June 2012 coverage).
- Flexible Spending Account – If you are currently participating in the 2012 Flexible Spending Account we will be contacting you separately to discuss arrangements for that product.
- Other benefits deductions – all other benefits deductions will continue without interruption, however, similar to health insurance, monthly paid employees will be paying for their supplemental insurance products in the month following coverage (July 2012 payroll deduction pays for June 2012 coverage).

We do fully appreciate that this change will impact faculty and professional staff individually, while understanding that overall it is better for the whole. We hope that providing notice well in advance of this change will provide you with the opportunity to plan ahead in order to limit the impact this change will have.