

## FAQs For Switching House Officers To A Semi-Monthly Payroll

- 1) On what days of the month would we be paid? What happens if that is not a workday? Is there any circumstance where we would actually receive more or less than two paychecks in a month?
- There will be two House Officer payrolls each month. One payroll will be on the 15<sup>th</sup> and the other will occur on the last day of the month. The only exceptions will be in the event that either of those days are a LSUHSC holiday, Saturday, Sunday or banking holiday. In those cases, payroll will be delivered on the first work day before the LSUHSC holiday, Saturday, Sunday or banking holiday. Example: if the 15<sup>th</sup> of the month were a Sunday then payroll for House Officers would occur on the preceding Friday.
  - Additional compensation will be included in those paychecks, but there may be times when additional paychecks are needed.
- 2) How will semi-monthly salary be computed? On an annual basis will this be any different than what is currently paid? Would the two paychecks in each month be the same? Would there ever be a case where a semi-monthly paycheck would be less than one of our current paychecks?
- Your semi-monthly gross salary will be compute by multiplying your hourly rate by the number of hours eligible for pay in the pay period.
  - There is no change or difference in annual total salary. The number of eligible hours to be worked in a year is the same for either a bi-weekly or semi-monthly pay cycle.
  - Not often, but the number of days in a payroll period can vary by a day or two. Paycheck amounts will not always be exactly the same but will be very close.
  - The second paycheck in February of non “Leap Years” will be the only instance of a check being less than current amounts. Throughout the remainder of the year, most payroll checks will be slightly higher than current amounts.

Here is a sample scenario of a semi-monthly pay schedule:

HO3 ANNUAL SALARY FOR FY07 = \$43,242.00

DAILY RATE FOR HO3 DURING FY08 (A LEAP YEAR) = \$43,242 / 366 DAYS = \$118.15

HOURLY RATE FOR HO3 IN FY08 = \$118.15 / 8 HOURS = \$14.77

Month	15th	Last Day	Total	YTD
JUL	1,772.21	1,890.36	3,662.57	3,662.57
AUG	1,772.21	1,890.36	3,662.57	7,325.15
SEP	1,772.21	1,772.21	3,544.43	10,869.57
OCT	1,772.21	1,890.36	3,662.57	14,532.15
NOV	1,772.21	1,772.21	3,544.43	18,076.57
DEC	1,772.21	1,890.36	3,662.57	21,739.15
JAN	1,772.21	1,890.36	3,662.57	25,401.72
FEB	1,772.21	1,654.07	3,426.28	28,828.00
MAR	1,772.21	1,890.36	3,662.57	32,490.57
APR	1,772.21	1,772.21	3,544.43	36,035.00
MAY	1,772.21	1,890.36	3,662.57	39,697.57
JUN	1,772.21	1,772.21	3,544.43	43,242.00
TOTAL			\$43,242.00	\$43,242.00

- 3) How is the current bi-weekly paycheck computed?
  - Current bi-weekly gross pay is computed by multiplying hourly rate by the number of hours eligible for pay in the pay period.
- 4) When is the semi-monthly payroll expected to be implemented?
  - The proposed effective date is July 1<sup>st</sup>, 2007. Since that date is a Sunday and the last day of a bi-weekly pay period, the last “bi-weekly” paycheck would be delivered on the regular scheduled Friday, July 6<sup>th</sup>, 2007. However, it would be for 13 days (the actual number of days worked) rather than 14 (the number of days in the pay period). There would be no payroll deductions taken from this paycheck.
- 5) Are benefits affected in any way by going to semi-monthly payroll?
  - No. Insurance coverage, promotions or salary increases are not affected.
- 6) Will this affect our ability to have direct deposit?
  - No. Direct deposit is available and strongly encouraged.
- 7) How would semi-monthly payroll affect taxes in the first year it becomes effective and then in ongoing years?
  - House Officers are on a cash (wage) basis with the IRS and will receive their entire pay for the month of December in December rather than in January. This means that in the first year of implementation there will be slightly more taxable income. In subsequent years, the effect vanishes.
- 8) How would this change affect the way House Officers accrue and take leave?
  - There is no change in leave usage or leave accrual.
- 9) If there is an error on our paycheck, how long will it take to correct it? Will converting to semi-monthly payroll result in fewer errors on the paycheck?
  - If an error occurs, it will be corrected and adjusted on the next paycheck. House Officers are paid based on their work schedule entered by their home department. As long as that schedule is correct, there should be no errors.
  - **IT IS IMPORTANT THAT ADDITIONAL COMPENSATION AND CHIEF RESIDENT PAY BE REPORTED IN A TIMELY MANNER. THAT PAY WILL TAKE PLACE AT THE END OF THE PAY PERIOD, MEANING THERE WILL NO LONGER BE A ONE WEEK DELAY.**
- 10) Why does LSU Health Sciences Center want to make this change?

Here are the benefits that will occur by making this change:

  - Residents would be paid faster (no longer a one-week delay).
  - Salary expense would match monthly invoices (which are based on number of days in month).
  - Invoices could be submitted to a facility much faster, resulting in faster payment to the University.
  - Questions regarding resident rotations would be more timely (residents would not be asked where they were 4 and 5 months ago).
  - Reduced administrative strain related to classification changes, and resident certifications.