

Frequently Asked Questions: 24-Pay Transition

Draft Version

Starting January 2023

Many South Bend Community School Corporation (SBCSC) employees had already been transitioned to a 24-pay (semi-monthly pay) schedule in 2022. In order to better serve employees, and to ensure operational efficiency, all remaining employees have been moved to a 24-pay schedule starting January 2023.

Please plan accordingly utilizing the 24-pay (semi-monthly) calendars provided as we transition to this new schedule.

Q: What does 24-pay mean?

A: It means you will receive 24 semimonthly payments in one contract/school year instead of 26 biweekly payments.

Q: Does switching from 26 to 24-pay mean that my salary will be reduced?

A: No. You will get the same annual salary regardless of 26 or 24-pay. Your pay per period will actually increase because you will be receiving 2 fewer paychecks over a twelve-month period.

Example: Pay Amounts for Annual Salary of \$45,000

26-Pay: \$45,000 divided by 26-pays = \$1,730.77 (before deductions) per pay period

24-Pay: \$45,000 divided by 24-pays = \$1,875.00 (before deductions) per pay period

The total yearly salary does not change at all.

Q: I am a teacher and I was converted to Semi-monthly (24 pay) pay from September 2022. Will I be again going through any kind of conversion this January?

A: Certain certified employee classes including all teachers were converted to Semi-monthly (24 pay) pay from September 2022. As they have already been transitioned to 24 pay, no repeated conversion for them will take place in January 2023. The amount you have been paid since September will not change now for any kind of payroll conversions.

Q: How will my new paycheck amount be calculated for my *remaining current* contract?

A: *This information applies only during the 2022-2023 spring/summer transition period.* For employees with contracts, the remaining amount owed on your contract will be divided by the number of pays remaining on your contract using the 24-pay calendar.

Example 1: Calculating Remaining Pays for Contracts Starting in July 2022

Under the 26-pay schedule, you were due to receive 12 pays in 2022 and 14 pays in 2023.

Under the new 24-pay schedule, you received 12 pays in 2022 and your pays for 2023 will reduce to 12. This means that the 12 pays in 2023 will be higher to compensate for those 2 pays you will not receive in order to pay your full salary.

Example 2: Calculating Remaining Salary Amounts for Contracts Starting in July 2022

For a salary amount of \$45,000...

In 2022, you would have received \$20,769.23 of your salary at \$1,730.77 per pay period.

That leaves \$24,230.77 owed in 2023. Dividing that by 12, is \$2,019.23 per pay period.

Your salary for this transition period will be HIGHER than future contract periods.

When your new contract starts in summer/fall of 2023, your per pay period amount will decrease slightly because your salary will be split evenly among 24-pays. Example: \$45,000 divided by 24 is \$1,875 per pay period.

To summarize: If you want to check/know how the calculation has been done to determine your current semi-monthly pay amount, please see the pay schedule/calendar for your pay class. Identify how many bi-weekly payments you received and what's the total amount you received and then how many semi-monthly payments you will receive for the rest of your contract year and how much is left to be paid in your contract/salary year. Divide the remaining annual contract/salary amount by the number of semi-monthly paychecks you will receive for the remainder of the annual calendar and you will get the current semi-monthly pay amount you are getting paid.

Q: Will we still receive 3 checks two months out of the year?

A: No. Going forward, every month will have 2 paychecks.

The pay amounts of those "extra" checks will be redistributed equally across the remaining pays on your contract.

Q: What about hourly employees?

A: Hourly employees will continue getting paid according to the hours they work during each pay period. Their hourly rates will remain unchanged.

Q: What will happen to my insurance benefits/deductions?

A: Benefits were already calculated using 24-payments. That is why you used to have 2 checks per year that did not have benefits charged under the 26-pay schedule.

Moving forward, all pay periods will have benefit costs deducted. There will be no change in total annual benefit/insurance deductions nor any changes in annual tax withholdings.

- For 10-month employees, premium costs per month may change
 - annual amounts opted into will remain the same
- PERF/TERF deductions and payroll taxes may adjust slightly per pay
 - annual amounts remain the same

Q: When will I get paid? What will be my new pay schedule?

A: The first paycheck under 24-pay will be on January 3, 2023 (instead of January 5th).

Pays will no longer be biweekly on Fridays. Instead, you will be paid on the 5th and 20th of each month.

Should the 5th or 20th fall on a weekend or a holiday, you will be paid the business day before that weekend or holiday.

You can find your updated pay schedule on our website:

https://www.sb.school/about/departments/financial_services/payroll/pay_schedules

Q: What are the benefits of transitioning to a 24-pay schedule?

A: Following are the key benefits:

- Larger paychecks per pay period
- Consistent pay dates every month - making things like bill payment and budgeting easier to plan
- Calculating benefits, healthcare, and other monthly benefits is simplified
- Consistency across the corporation is achieved by having all employees on the same pay schedule
- Paycheck processing time is lessened for Payroll Department

Q: Why did the pay schedule/calendar for certain Transportation employees change recently?

A: South Bend Community School Corporation (SBCSC) has transitioned to a semi-monthly pay schedule (“24-pay”) for all employees effective January 2023. This payroll transition places all employees on the same pay schedule and improves operational efficiency.

Previously, Bus Drivers and Non-Certified Bus Paraprofessionals (pay classes 68 & 69) followed a different pay schedule. To increase operational efficiency, lessen confusion, and improve compliance, SBCSC has taken the initiative to establish a structured district-wide pay schedule for all employees.

Transportation employees are now paid based on the district-wide pay schedule and under the calendar “Class 12, 15, 17, 20, 40, 60 & Other Non-Cert Classes” (available on our website). The district calendar/schedule MUST be followed from now.

To transition Transportation employees to 24 Pay, a supplemental off-cycle check was disbursed on 01/17/23. This was done to align hours worked with future 24 Pay dates. The next payroll for these employees is 01/20/2023; in adherence with the district’s semi-monthly pay calendar.

It is to be noted that, the transportation employees who got paid on 01/17/23 will not have an insurance deduction for their June 20, 2023 pay date (please refer to the Non-Cert Calendar, it is the calendar which should be followed from now; however, in the calendar there is an insurance deduction for June 20, 2023 which will not be needed for the transportation employees) as they have already had an extra payment and deduction on 1/17/23.

Q: What will be the process going forward for the transportation employees’ pay?

A: To ensure all are paid correctly, the Corporation’s Non-Certified Pay Schedule MUST be followed moving forward for transportation employees.

Report due dates must be followed & hours must be input into the system according to shared instructions.

We recommend inputting hours worked in the system at the end of each week (our work weeks are Saturday to Friday) but pay special attention to when pay periods start and end.

Q: Going forward, how should secretaries input overtime hours into the system? What should be the procedure?

A: Secretaries who are responsible for inputting hours/overtime should do so at the end of each work week and according to the pay schedule. This is an important step to make sure all employees are paid correctly.

- The input process in AS400 remains the same. The only change is that the secretaries will need to input hours more frequently going forward.
 - Example from our Non-Certified Pay schedule using the January 20th pay:
 - Period Covered: December 27, 2022 to January 12, 2023
 - The 1st work week during this pay period is Tuesday, December 27th to Friday, December 30th. Since the 27th is a Tuesday, the secretaries should input hours for Tuesday the 27th to Friday the 30th on Friday the 30th.
 - The 2nd work week during this pay period is Monday, January 2nd to Friday, January 6th. The secretaries should input hours for this week on Friday, January 6th.
 - The 3rd partial week is Monday, January 9th to Thursday, January 12th. Since the pay period ends on a Thursday, hours for this week should be entered on Thursday the 12th.
 - The next pay period starts Friday, January 13th. Since this day is a Friday, secretaries should input hours for this particular day on the actual day itself (since it's the end of the week).

Q: How is overtime calculated?

A: Overtime is calculated when someone works more than 40 hours in one calendar week. **Work weeks are Saturday to Friday.** This is independent of the pay schedule.

If an employee worked 40 hours from Monday, January 9th to Thursday, January 12th, any hours worked on Friday the 13th will be counted as overtime. But since Friday the 13th falls in the next pay period, that overtime won't be paid until the next pay date - February 3, 2023.

Remember, there is no overtime for holidays. As holidays are paid at straight time.

Q: I am an hourly employee with a consistent amount on my paychecks of January/2023 that does not match the hours I have worked for the period. Would you please explain why this happened?

A: There are some hourly employees from pay classes 20, 40, 60 etc. who were on 26 pay bi-weekly) who did not need to input hours in our system before transitioning to 24-pay (semi-monthly). This transition to 24-pays keeps the process easier and paychecks a consistent, anticipated amount.

Under the new 24-pay method, you will receive a set amount on each paycheck. This amount may not be reflective of the hours you worked in that particular period. However, your set semi-monthly amount

will add up to the same annual pay you would have received under the previous 26-pay schedule. Total annual pay will remain the same.

In order to get a better understanding of the calculations, you can refer to a spreadsheet model we have created and uploaded in the website along with these frequently asked questions. (File name: Semimonthly S+H Double Checker 011923). Just enter your hourly pay rate in the excel model (in the yellow highlighted cell).

This sheet will show you the paychecks you will be receiving under the 24-pay schedule, vs. the paychecks according to your hours worked (under the previous 26-pay schedule).

Both amounts end up with the same annual total. You will not be shortened any pay. No employee will remain unpaid for the hours he/she worked in a year.

Q: Which employee classes have transitioned to 24-pay in January 2023?

A: These employee classes will be transitioning to 24, semimonthly pay in January:

- **Class 6** - School Board
- **Class 9** - Hourly Employees Part Time
- **Class 11** - Certified Administrators (Assistant Superintendents, Assistant Principals, Principals, Directors, etc.)
- **Class 15** - Non-Certified
- **Class 17** - Non-Certified 12-Month Salaried
- **Class 20** - Non-Certified Supervisor 12 Month
- **Class 40** - Non-Certified Employee 12 Month
- **Class 43** - Non-Certified Salary Employee
- **Class 45** - Non-Certified 12 Month Part Time
- **Class 46** - Non-Certified 12 Month Full Time
- **Class 50** - Non-Certified Employee 10 Month
- **Class 51** - Non-Certified Employee 11 month
- **Class 55** - Full-Time Employee 10 Month
- **Class 57** - P T Aide
- **Class 58** - Cafeteria Worker
- **Class 59** - P T Cafeteria
- **Class 60** - Technical & Maintenance
- **Class 68** - Corporation Bus Driver
- **Class 69** - Non-Certified Paraprofessional
- **Class 70** - Security
- **Class 73** - Special Ed Paraprofessional

If you still have any questions, please feel free to contact our Payroll Department. We will be happy to assist you!

Q: If someone terminates their employment before their contract expires, how will they receive their pay?

A: We recognize if you terminate your contract early. Once you leave the corporation, your ending pay will be reviewed to determine the pro-rated payout.