THE NEW PAY CHECKS – WHAT TO EXPECT

Two groups of employees—Represented Classified Employees and Unclassified Employees (other than Professional Experts)—will receive the first paychecks issued by the new system on July 15, 2005. In the legacy system this is the group of employees who were paid every other Friday. This issue of What’s New reviews differences between the old and new payroll calendars, provides an Excel Worksheet to compare old and new pay, and introduces the new “paycheck stub.” The first monthly payroll on July 29 for faculty and other monthly employees will be discussed in another newsletter.

LEGACY FOUR WEEK PAY PERIOD AND ESA
Our familiar legacy system payroll calendar was based on a four week pay period calendar. The four-week pay roll calendar resulted in variations in pay checks for some regular-status employees. For instance, in order to pay represented Classified employees every two weeks an Earned Salary Allowance—ESA—check was issued. The ESA check estimated take home pay for the first two weeks of the pay period. Since the ESA check was an estimate, it did not have any deductions, overtime, absences, or other adjustments recorded. That information was recorded on the second or regular pay check of each pay period. Processing timelines and adjustments could result in variations in take home pay.

The new system is based on a monthly payroll calendar and the new technology allows quicker processing timelines and adjustments. Here’s what to expect.

REPRESENTED CLASSIFIED EMPLOYEES

• **No More ESA:** In the new SAP system, paychecks will issue twice a month according to the semi-monthly payroll calendar. There will be no ESA check. Instead, every check will include deductions, overtime, absences, or adjustments proportionate to a twice a month cycle.

• **8.75 Percent Larger Checks:** Since the new paychecks are issued twice a month instead of every other week, total gross pay will be 8.75 percent larger. This increase occurs because the new system will have 24 checks in a year instead of the legacy system’s 26.1. The extra “.1” occurred in the old system because each year usually had an extra day because a two week cycle was used and pay was based on hours worked. In the new system pay is based on your salary for one-half month, not hours worked.

Worksheet to Calculate Pay: To compare your new paycheck with your old paycheck, use the linked Excel Worksheet and enter the last legacy system full pay check which was on June 17. On the June 17 pay stub, find the gross wages. (For this calculation to work, your gross wages for June 17 must not have had any unpaid or half-pay absences during the previous four weeks.) Enter the gross wages into the calculator. The resulting calculation should be the same as your gross wages for July 15.

UNCLASSIFIED EMPLOYEES
Unclassified employees will continue to be paid based on hours worked following concepts associated with our legacy system. Pay will be delayed about one week from the reporting time period and payday. The first payday in the new system for Unclassified Employees is as follows:

• **Student employees** will be paid for their actual hours worked from July 1 through July 8 and semi-monthly thereafter.

• **Professional Experts** will be paid every four weeks. Their first pay check in the new system will be July 29.

Worksheet to Calculate Pay: Using the Excel worksheet link, enter the hours you worked between July 1 through July 8 and your hourly rate. The resulting calculation should be your gross wages for July 15.

EMPLOYEE TIP SHEET
A handy employee tip sheet is available that explains your new payroll stub. Especially important for this newsletter in the portion of the pay stub labeled “Gross Wages” since the payroll calculator compares this number in both the new and old systems.

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