

Payroll Frequency Change – 90 Day Notice

All Directors, Managers, and Pl's,

In preparation for the transition to a new payroll system, you were informed during payroll training that Foundation would be moving from a **semi-monthly** to a **bi-weekly** pay period in an effort to pay employees for actual hours worked and eliminate the need to forecast hours.

All exempt and non-exempt employees will be paid bi-weekly, every other Friday, beginning in January 2019. The change to bi-weekly means that all employees will be paid 26 pay periods throughout the calendar year as opposed to 24. It is important that exempt employees plan their personal finances in advance of this transition, as the conversion will directly impact the net pay check. The conversion to bi-weekly provides more frequent pay days throughout the year, for which you will receive two (2) bi-weekly pay checks per month with the exception of two months per year when you will get three (3) pay checks. Your take home pay for a bi-weekly period will be a fraction less than it was on a semi-monthly schedule; however, you will receive the same annual salary subject to working your usual schedule.

Please see the illustration below on the net difference between pay checks on a semi-monthly vs a bi-weekly pay period. All exempt personnel will see an impact on the amount that they are accustomed to seeing each pay period, so please plan accordingly. We cannot tell you in advance how much your net paycheck will be impacted, because that depends on your withholding filing status, health deductions, and contributions. To aid you in determining your new net pay check, please visit

<https://smartasset.com/taxes/california-paycheck-calculator>

Semi-Monthly vs Bi-weekly Illustration

Semi-Monthly (24 pay periods)		Bi-weekly Hourly (26 pay periods)	
Pay Period	Gross Earnings per Pay Period	Pay Period	Gross Earnings per Pay Period
1	\$1,667	1	\$1,538.46
2	\$1,667	2	\$1,538.46
3	\$1,667	3	\$1,538.46
4	\$1,667	4	\$1,538.46
5	\$1,667	5	\$1,538.46
6	\$1,667	6	\$1,538.46
7	\$1,667	7	\$1,538.46
8	\$1,667	8	\$1,538.46
9	\$1,667	9	\$1,538.46
10	\$1,667	10	\$1,538.46
11	\$1,667	11	\$1,538.46
12	\$1,667	12	\$1,538.46
13	\$1,667	13	\$1,538.46
14	\$1,667	14	\$1,538.46
15	\$1,667	15	\$1,538.46
16	\$1,667	16	\$1,538.46
17	\$1,667	17	\$1,538.46
18	\$1,667	18	\$1,538.46
19	\$1,667	19	\$1,538.46
20	\$1,667	20	\$1,538.46
21	\$1,667	21	\$1,538.46
22	\$1,667	22	\$1,538.46
23	\$1,667	23	\$1,538.46
24	\$1,667	24	\$1,538.46
Annually:	\$40,000	25	\$1,538.46
		26	\$1,538.46
		Annually:	\$40,000



There will be more information circulated in the coming weeks related to the 2019 payroll schedule, pay periods and timekeeping refresher training. In the meantime, please be prepared to disseminate this information to your employees. Employees who have questions regarding this transition, should contact Foundation Human Resources.

Thank you,

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