

Pay and Pay/Period Information

Final 2015 Regular pay (salary) & Pay Period Info 2016

Concerning all Full Time Employees:

2015

The Township has a longstanding policy and practice of paying employees every two weeks on a Friday. In 2015 like most years, this worked out to twenty-six (26) pay-periods.

The final paycheck of 2015 (last pay) will be dated December 18, 2015. All of the 2015 regular salary will have been paid at this time. Employee "paid to date" on the check reflects the same, as will 2015 W2's. Any outstanding adjustments such as overtime, and outside work will be paid as usual in future checks. Therefore, these items worked at the end of 2015 will be paid/received in the first or second pay of 2016, and be credited to 2016 compensation (W2).

2016

At this time, the Township's longstanding practice of paying every two weeks on a Friday continues. But, in 2016, it works out to twenty-seven (27) pay-periods.

The twenty-seven pay periods will have a profound effect on the amount paid each pay-period but not on the total for the year. Example:

- If you earned \$35,000 regular pay in 2015, it would be divided by the 26 pay periods equaling \$1346.15 per pay (simplified example, gross, no deductions).
- The same \$35,000 in 2016 would be paid in 27 pay-periods equaling \$1296.30 per pay. While the difference per pay is \$49.85, once paid all 27 times the total pay received (\$35,000) is the same.

While this is just a product of how our ongoing pay method (every two weeks on a Friday) is affected by the calendar, it is being pointed out so every employee may be aware and properly prepare.

What is there to prepare for if the years pay is the same? Well, if you have automatic deductions such as contributions to Valic, AXA, or Mass Mutual; they are probably a set amount per pay and now will be taken out of a smaller portion (one 27th) of the year's salary. The same is true of automatic deductions to outside bank accounts ie. set deduction/payment from an account where the deposit is smaller (due to the 27 pays). This also is true for pension, taxes and Chapter 78 automatic payments.

Regardless, it is important to remember the yearly earnings are not being reduced just divided and paid out over more checks (pay-periods) and that deductions for pension and taxes, etc. are taken out of twenty-four.

The Township's first pay of 2016 is January 1, 2016. This is regular pay for one-twenty-seventh of your 2016 salary. Additionally, it will include exceptions and/or adjustments from the prior pay period; such as overtime, outside work, and contract billable hours (adjustments) because these lag one pay period behind (same as ongoing current practice).

This first pay of 2016 will be a direct deposit as usual, but may be credited to your account on December 31, 2015 when transmitted. Don't worry should this occur; the Township has dated the payment January 1, 2016 and worked things out, so it is officially reported as income to the IRS for 2016.

While confusing and illogical, this practice (paying in two-week pay periods) has been in place for years. The two week pay period, does not work out evenly each year and it is this two week on Friday practice that causes (what employees wrongly refer to as the "free-pay") the occasional paycheck without deductions. Three of these will occur in 2016.

For now, understand that all paychecks received in 2016, are for regular 2016 pay. Receiving one-twenty seventh of your 2016 pay on January 1st, means you have twenty six other pays of one-twenty seventh yet to receive in 2016. So, as long as employees work the entire year- the entire year's pay is received and the employee will not owe the Township. But, should an employee abruptly leave employment during the year, for any reason, it is possible they will owe the Township for overpayment.

Employees leaving for reasons other than retirement are required to give a minimum two weeks' notice and may be responsible to reimburse the Township for any overpayment, or be required to work beyond a payday, to earn the overpayment; thereby eliminating the need for reimbursement. The Township has never withheld or held back any pay from newly hired employees as some other employers do.

Any employee planning on retiring must give the Township a minimum six week notice. This will allow the Township and employee to verify banked time, and work out the employee's final working day and use of banked time to eliminate any unnecessary overpayment issue.

An official last working day can only be set and approved, by the Director of HR or the Treasurer. Should any employee believe they were paid improperly, or have questions concerning; schedule, hours worked (OT or regular) they should **first see their supervisor**. If after discussing same with their supervisor, there is still an issue or questions to be addressed, then it can be brought to HR or Treasury.

ⁱ HR notice WT 15 -2 12/17