

April 18, 2003

RE: Change in Service and Pay Dates for Academic Employees

Dear Colleagues

On January 31, 2003, I wrote to inform you of an upcoming change in the University's current service dates and pay date calendar schedule. I write today to inform you of a change to that previously announced schedule. The pay date change that was to occur on August 16, 2003 will now take place on September 16, 2003.

Twelve-Month Contracts: Based on advice from our Legal Counsel, continuing twelve-month employees with a contract end date of August 31, 2003 will continue under their current 2002-2003 contracts. On September 1, 2003, a full month's check will be issued to fulfill the 2002-2003 contract. New contracts will be issued effective September 1, 2003 through August 15, 2004 with the new pay date on September 16, 2003 instead of August 16, 2003. The September 16th check will be for 15 days, covering the period September 1 through September 15.

Nine-Month Contracts: Continuing nine-month faculty paid over 12 months will not be impacted by the change in contract dates. They will be issued new contracts beginning August 16, 2003 through August 15, 2004 (for service provided from August 16, 2003 through May 15, 2004). A September 1, 2003 check will represent the final installment of their 2002-2003 contract with the September 16, 2003 check representing a full one-twelfth payment for the first month of their new contract.

University policy allows for up to two months of summer salary. Any summer appointment extending beyond two months requires prior approval by the Chancellor or her designee. Currently the Chancellor has delegated approval to the deans. For this year only, what has been a third month of summer salary for some faculty and graduate assistants will be shortened by 5 days and ending on August 15 instead of August 20.

Ten-Month Contracts: Appointments for continuing ten-month academic employees paid over twelve months will vary based on their period of service. The September 1, 2003 check will represent the final installment of their 2002-2003 contract. The new pay date for these employees also will move to the 16th of each month beginning September 16, 2003.

New Hires: All new academic hires for the new contract year should be appointed on the new contract dates from August 16, 2003 through August 15, 2004.

The revised FAQ document should address any questions you may have regarding this latest change. The FAQ document follows this memo; scroll down to view it.

Please send any questions or comments to srvpay03@uic.edu

Regards,

R. Michael Tanner
Provost and Vice Chancellor for
Academic Affairs

Updated 4/15/03

Frequently Asked Questions

Common Academic Service and Pay Calendars for Academic Employees

Question: What deductions will be taken from my September 16, 2003 paycheck?

Answer: The following “involuntary/voluntary” deductions will be taken on the September 16, 2003 paycheck:

- Federal tax
- State tax
- OASDI, if applicable
- Medicare, if applicable
- SURS, if applicable
- Involuntary deductions (child support, garnishments, etc.)
- Long Term Disability
- Health*
- Dental*
- Optional Life*, if applicable
- 403b, if applicable

The following “involuntary/voluntary” deductions will not be taken on the September 16, 2003 paycheck:

- MCAP (Medical Care Assistance Plan)
- DCAP (Dependent Care Assistance Plan)
- 457
- SURS “buy back” for prior service credit
- AD & D
- Parking
- Transit Benefit
- Other voluntary deductions (charities, credit union, savings bond, etc.)

*Deductions taken will be for coverage during the entire month of September. More specific questions should be sent to the Payroll Office at 996-1922.

Question: What is changing and when will the change occur?

Answer: The service calendar for 9-month employees paid monthly on a 12-month basis will be changing in August 2003. For 12-month employees the change will not occur until September 2003. The pay calendar for all UIC academic employees paid monthly will be changing in September 2003.

Question: What is a service calendar, and how is it different from a pay calendar?

Answer: Service calendar refers to the standard periods for service and non-service during an appointment year. Pay calendar refers to the standard pay periods and the date pay is distributed to employees.

Question: What are common service dates and how were the dates determined?

Answer: A common service date is the move to one set of dates for academic appointments across all campuses. The primary factor determining the new dates was better alignment of the academic service calendar with the campus instructional calendar. In addition, joint appointments between campuses, transferring between campuses and other coordination issues will be simplified. The common set of service dates chosen begin August 16 with service required until May 15 for 9 months service. Service from August 16 to December 31 will correspond to the fall semester. The service period corresponding to the second semester will be January 1 to May 15. Continuing 12-month academic employees will begin their new contracts on September 1, 2003 with an end date of August 15, 2004. Subsequent contracts for 12-month employees will follow the common service dates of August 16 through August 15 schedule.

Question: What is a common pay date and why is it changing?

Answer: A common pay date is the move to one common date for paying all academics across all three campuses. This change will affect only employees who are paid monthly. The common pay date will be the 16th of each month and the common pay period will be the 16th of the current month to 15th of the following month.

While looking at the possibility of a common service date, concurrent investigation was conducted to explore the opportunity to adopt a single academic pay date. The decision to do so was justified by the changing of the service dates. Alignment of the common service date and pay date brought the University to a single common calendar. Additionally, this decision allows for administrative cost savings from the reduced number of pay dates and the simplification of both the set-up and maintenance of the payroll system. This addresses long-standing inefficiencies generated by our current practice of running multiple payrolls across the campuses.

Question: Who is impacted?

Answer: Academic employees paid monthly will be affected. Employees paid bi-weekly will not be affected.

Question: How does moving to a common pay date impact me as a monthly paid employee at UIC?

Answer: Continuing 12-month appointments: Continuing twelve-month employees with a contract end date of August 31, 2003 will continue under their current 2002-2003 contracts. On September 1, 2003, a full month's check will be issued to fulfill the 2002-2003 contract. New contracts will be issued effective September 1, 2003 through August 15, 2004 with the new pay date on September 16, 2003 instead of August 16, 2003. The September 16th check will be for 15 days, covering the period September 1 through September 15.

Continuing 9-Month Service Paid over 12 Months appointments: Continuing nine-month faculty paid over 12 months will not be impacted by the change in contract dates. They will be issued new contracts beginning August 16, 2003 through August 15, 2004 (for service provided from August 16, 2003 through May 15, 2004). A September 1, 2003 check will represent the final installment of their 2002-2003 contract with the September 16, 2003 check representing a full one-twelfth payment for the first month of their new contract.

Continuing 10-month Service Paid over 12 Months appointments: Appointments for continuing ten-month academic employees paid over twelve months will vary based on their period of service. The September 1, 2003 check will represent the final installment of their 2002-2003 contract. The new pay date for these employees also will move to the 16th of each month beginning September 16, 2003.

New Hires: All new academic hires, if hired at the beginning of the new appointment year, will begin August 16 on the new calendars and no change over will be needed.

Question: How will summer 2003 appointments for 9-month faculty be handled?

Answer: University policy allows for up to two months of summer salary. What has been a third month of summer salary for some faculty and graduate assistants, will be, for this year only, shortened by 5 days, ending on August 15 instead of August 20. Any summer appointment extending beyond two months requires prior approval by the Chancellor or her designee.

Question: Why are these changes being made?

Answer: These changes align the service and pay calendars on the three University of Illinois campuses and will improve coordination and efficiency across the University. Additional benefits include: 1) simplify academic appointments by having one instead of three service calendars; 2) the new service calendar will be more in line with the instructional calendar for the campus; 3) a better correlation between the start dates of faculty and graduate assistants in relation to the instructional calendar; and 4) reduce administrative costs incurred in running and reconciling multiple payrolls.

Question: Will I need to change my health insurance, direct deposit, or any other HR related function as a result of this change?

Answer: No, you will not need to make any changes unless you wish to make one as part of the planning for the transition year such as, changing your tax withholding (W4).

Question: Why do the examples of 2003 W2s for academics paid monthly at UIC look as if we will be paid more during the transition year?

Answer: First, several years ago UIC changed from quarters to semesters but made no corresponding change in the dates for academic appointments. For example, currently 9/12 appointments provide service August 21 - May 20 but the pay calendar is September 1 – August 31, meaning faculty are providing service for a time period that is different from their contract dates. Changing service to August 16 – May 15 and pay to the 16th of each month eliminates this issue at the time of the transition. To accomplish the transition, 9/12 appointments will be paid out on September 1 for the remainder of the 2002-2003 current year of service.

Secondly, the difference at UIC is that for both 9/12 appointments and appointments on a 12-month service basis, the current pay calendar is Sept 1- Aug 31 with pay dates on the 1st of each month. Because the current pay for all of December occurs in January, each year one month's earnings is shifted to the next tax year. With the earlier pay date one-half of December earnings will be paid on Dec. 16 in the current tax year.

The result will be a one-time apparent increase in yearly income equal to one month for continuing 9/12 employees and one-half month for 12-month service employees. Whether the W2 change represents a real increase in take-home pay or is a cash flow artifact, employees will want to consider any possible tax implications and plan accordingly. The charts illustrating monthly payments during 2003 shows the W2 results.

Question: When and where can I find other details of how the changes will affect me?

Answer: More information on the changes and on how you as an individual may be affected will be made available on an ongoing basis over the coming months at this web site. For many employees, the changes will be minor. For budgeting purposes, employees should anticipate a change in cash flow for September and schedule bill payments as needed. Others may anticipate tax or other impacts from the extra paycheck during the tax year and will want to plan accordingly.

UIC – What to Plan for – W2s Academic Employees on 9/12 Appointments

Employees can anticipate, and plan for, the difference the changes may make on 2003 taxable income (W2s). For illustration, taxable income of \$1,000 per month or \$12,000 per year is shown.

If Current Pay Schedule were to Continue for 2003

Payment for December, 2002	\$1000	Paid on January 1, 2003
Payment for January, 2003	\$1000	Paid on February 1, 2003
Payment for February, 2003	\$1000	Paid on March 1, 2003
Payment for March, 2003	\$1000	Paid on April 1, 2003
Payment for April, 2003	\$1000	Paid on May 1, 2003
Payment for May, 2003	\$1000	Paid on June 1, 2003
Payment for June, 2003	\$1000	Paid on July 1, 2003
Payment for July, 2003	\$1000	Paid on August 1, 2003
Payment for August, 2003	\$1000	Paid on September 1, 2003
Payment for September, 2003	\$1000	Paid on October 1, 2003
Payment for October, 2003	\$1000	Paid on November 1, 2003
Payment for November, 2003	\$1000	Paid on December 1, 2003

2003 W2 Income \$12,000

2003 New Pay Schedule

Payment for December, 2002	\$1000	Paid on January 1, 2003
Payment for January, 2003	\$1000	Paid on February 1, 2003
Payment for February, 2003	\$1000	Paid on March 1, 2003
Payment for March, 2003	\$1000	Paid on April 1, 2003
Payment for April, 2003	\$1000	Paid on May 1, 2003
Payment for May, 2003	\$1000	Paid on June 1, 2003
Payment for June, 2003	\$1000	Paid on July 1, 2003
Payment for July, 2003	\$1000	Paid on August 1, 2003
Payment for August, 2003	\$1000	Paid on September 1, 2003*
*(Pay for 8/2003 is final payment for service provided in Academic Year 2002/03)		
Payment for Aug/Sept (8/16/03-9/15/03)	\$1000	Paid on September 16, 2003
Payment for Sept/Oct (09/16/03-10/15/03)	\$1000	Paid on October 16, 2003
Payment for Oct/Nov (10/16/03-11/15/03)	\$1000	Paid on November 16, 2003
Payment for Nov/Dec (11/15/03-12/16/03)	\$1000	Paid on December 16, 2003

2003 W2 Income \$13,000

UIC – What to Plan for – W2s Academic Employees on 12-Month Appointments

Employees can anticipate, and plan for, the difference the changes may make on 2003 taxable income (W2s). For illustration, taxable income of \$1,000 per month or \$12,000 per year is shown.

If Current Pay Schedule were to Continue for 2003

Payment for December, 2002	\$1000	Paid on January 1, 2003
Payment for January, 2003	\$1000	Paid on February 1, 2003
Payment for February, 2003	\$1000	Paid on March 1, 2003
Payment for March, 2003	\$1000	Paid on April 1, 2003
Payment for April, 2003	\$1000	Paid on May 1, 2003
Payment for May, 2003	\$1000	Paid on June 1, 2003
Payment for June, 2003	\$1000	Paid on July 1, 2003
Payment for July, 2003	\$1000	Paid on August 1, 2003
Payment for August, 2003	\$1000	Paid on September 1, 2003
Payment for September, 2003	\$1000	Paid on October 1, 2003
Payment for October, 2003	\$1000	Paid on November 1, 2003
Payment for November, 2003	\$1000	Paid on December 1, 2003

2003 W2 Income \$12,000

2003 New Pay Schedule

Payment for December, 2002	\$1000	Paid on January 1, 2003
Payment for January, 2003	\$1000	Paid on February 1, 2003
Payment for February, 2003	\$1000	Paid on March 1, 2003
Payment for March, 2003	\$1000	Paid on April 1, 2003
Payment for April, 2003	\$1000	Paid on May 1, 2003
Payment for May, 2003	\$1000	Paid on June 1, 2003
Payment for June, 2003	\$1000	Paid on July 1, 2003
Payment for July, 2003	\$1000	Paid on August 1, 2003
Payment for August, 2003	\$1000	Paid on September 1, 2003
Payment for Sept (9/1-15/2003)	\$ 500	Paid on September 16, 2003*
(1/2 Month Payment – September, 2003)*		
Payment for Sept/Oct (9/16/03-10/15/2003)	\$1000	Paid on October 16, 2003
Payment for Oct/Nov (10/16/03-11/15/2003)	\$1000	Paid on November 16, 2003
Payment for Nov/Dec (11/16/03-12/15/2003)	\$1000	Paid on December 16, 2003

2003 W2 Income \$12,500

UIC – Pay Schedule for 2004 – W2s

The charts below show the income and pay dates for calendar year 2004. For illustration, taxable income of \$1,000 per month or \$12,000 per year is shown.

Academic Employees on 9/12 Appointments

Payment for Dec/Jan (12/16/04-1/15/04)	\$1000	Paid on January 16, 2004
Payment for Jan/Feb (1/16/04-2/15/04)	\$1000	Paid on February 16, 2004
Payment for Feb/March (2/16/04-3/15/04)	\$1000	Paid on March 16, 2004
Payment for March/April (3/16/04-4/15/04)	\$1000	Paid on April 16, 2004
Payment for April/May (4/16/04-5/15/04)	\$1000	Paid on May 16, 2004
Payment for May/June (5/16/04-6/15/04)	\$1000	Paid on June 16, 2004
Payment for June July (6/16/04-7/15/04)	\$1000	Paid on July 16, 2004
Payment for July/August (7/16/04-8/15/04)	\$1000	Paid on August 16, 2004
Payment for August/Sept (8/16/04-9/15/04)	\$1000	Paid on September 16, 2004
Payment for Sept/Oct (9/16/04-10/15/2004)	\$1000	Paid on October 16, 2004
Payment for Oct/Nov (10/16/04-11/15/04)	\$1000	Paid on November 16, 2004
Payment for Nov/Dec (11/16/04-12/15/04)	\$1000	Paid on December 16, 2004

2004 W2 Income \$12,000

Academic Employees on 12-Month Appointments

Payment for Dec/Jan (12/16/04-1/15/04)	\$1000	Paid on January 16, 2004
Payment for Jan/Feb (1/16/04-2/15/04)	\$1000	Paid on February 16, 2004
Payment for Feb/March (2/16/04-3/15/04)	\$1000	Paid on March 16, 2004
Payment for March/April (3/16/04-4/15/04)	\$1000	Paid on April 16, 2004
Payment for April/May (4/16/04-5/15/04)	\$1000	Paid on May 16, 2004
Payment for May/June (5/16/04-6/15/04)	\$1000	Paid on June 16, 2004
Payment for June July (6/16/04-7/15/04)	\$1000	Paid on July 16, 2004
Payment for July/August (7/16/04-8/15/04)	\$1000	Paid on August 16, 2004
Payment for August/Sept (8/16/04-9/15/04)	\$1000	Paid on September 16, 2004
Payment for Sept/Oct (9/16/04-10/15/04)	\$1000	Paid on October 16, 2004
Payment for Oct/Nov (10/16/04-11/15/04)	\$1000	Paid on November 16, 2004
Payment for Nov/Dec (11/16/04-12/15/04)	\$1000	Paid on December 16, 2004

2004 W2 Income \$12,000