Faculty Pay Frequency Options

- **Background: Why change?**
  - Replicating the current pay schedule creates an unacceptable risk of missing pay deadlines.
  - Software is based on a logical framework using commonly recognized time units (week, month). The academic calendar varies by campus, and the payroll calendar is artificially configured today to yield equal payments each month.
  - Using the calculation power and retroactivity features of the new software increases the efficiency and accuracy of your business office as they assist you with leaves, overload assignments, and staffing your research projects.

- **Two alternatives are possible:**
  - Nine equal academic payments
  - Ten payments with partial August and May payments

- **Facts common to both alternatives:**
  - This change would occur at the beginning of the 2007 summer session.
  - Both alternatives are based on a nine-month academic-year contract.
  - Both options would pay faculty monthly during the academic year and the summer session.
  - New direct-deposit capability will allow a faculty member to utilize more direct-deposit arrangements to set aside savings for the summer.
  - The software would allow academic faculty to elect a 12-pay per year option to equalize payments over the full year. If there is significant interest, Purdue could explore the issues associated with implementing such a plan.
  - Both options include an automated capacity to advance university-funded retirement contributions to TIAA immediately on full- and partial-pay months.
  - Both options would enable faculty members to use more self-service features, such as viewing one's pay online, managing banks for direct deposit, changing tax-withholding status, and viewing W-2 information.

- **Facts unique to each alternative:**

Nine Equal Academic Payments	Ten Payments (With Partial August and May)
All payments during the academic year will be equal amounts reflecting 1/9th of the academic salary. All pay dates will be on the tenth of the month.	The first period will be prorated to reflect the date required to be on campus, and the final period will reflect the balance due to pay out the full contracted amount. The eight periods (September through April) will be equal amounts. All pay dates will be on the last working day of the month.
There will be approximately 125 days between the last academic year pay and the first pay on Sept 10.	There will be approximately 90 days between the last academic year pay and the first fall pay on August 31.
Benefit deductions will remain constant.	Benefit deductions will be prorated in the same manner as salary for both the first and last payments.
Summer pay dates will be June 10, July 10, and August 10.	Summer pay dates will be May 31, June 30, July 31, and Aug 31. (AY pay and summer pay will be combined in May and August.)