

# Department of Accounts

## Payroll Bulletin

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*In This Issue of  
the Payroll  
Bulletin.....*

✓ **Mandatory Bi-Weekly Pay  
Cycles for Hourly Employees  
Required by FY18**

The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at [cathy.mcgill@doa.virginia.gov](mailto:cathy.mcgill@doa.virginia.gov)

State Payroll Operations

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### **Mandatory Bi-Weekly Pay Cycles for Hourly Employees Required by FY18**

**The New Bi-  
Weekly  
Cycles are  
Effective  
7/1/2017**

Line agencies were informed during the Cardinal Payroll Kick-Off meetings this fall that DOA will begin to regulate the statewide hourly (wage) pay schedules in addition to the current oversight provided on semi-monthly classified pay schedules. Agencies will be given a choice of three bi-weekly pay schedules to use for their hourly employees.

This transition must occur in CIPPS prior to the Cardinal Payroll implementation in order to provide good parallel testing data. As a result, line agencies will be required to transition to the new bi-weekly pay schedules before FY18. Hourly pay cycles processed after July 1, 2017, must conform to one of the required bi-weekly schedules.

**Available Pay  
Cycles**

The first paycheck in July for all hourly (wage) payroll cycles will be Friday, July 7, 2017. Agencies can choose one of the following pay periods shown below for that check date.

Bi-Weekly Cycle #1 - Sunday, June 11, 2017 – Saturday, June 24, 2017

Bi-Weekly Cycle #2 - Monday, June 12, 2017 – Sunday, June 25, 2017

Bi-Weekly Cycle #3 - Friday, June 9, 2017 – Thursday, June 22, 2017

Agencies can transition their pay cycles at any time before FY18. A payroll calendar for each bi-weekly payroll cycle is provided at the end of this bulletin. It is advised that agencies choose a cycle and make it known to their Cardinal liaison before December 31, 2016. The actual transition date can occur later, but DOA needs to know the chosen schedule prior to that date. Line agencies should devise a strategy for the transition and notify their hourly employees of the transition plan as soon as possible.

This bulletin also provides a few transition examples to aid in understanding the dynamics of changing pay periods. When making this decision, there are many points to consider. Please read the bulletin completely to make a fully informed decision.

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## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

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**Check Dates** All bi-weekly pay cycles will be paid on Friday. State Payroll Operations will publish the bi-weekly certification deadlines and check dates along with the semi-monthly schedules on the payroll calendar. When a banking holiday occurs on Friday the check date will reflect the previous business day.

Currently there are two Fridays that are state holidays, but not banking holidays: Lee-Jackson Day in January and the Friday after Thanksgiving in November. Since the banks remain open on those days State Payroll Operations will consider certifying checks with those dates. State Payroll Operations will post decisions about holiday payments as payroll calendars are distributed to agencies.

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**FLSA Work Periods** **Agencies will be required to align the FLSA work periods of the hourly (wage) employees with the pay cycle that is chosen.** FLSA work periods must be maintained in Cardinal Payroll along with the pay cycle. This decision was made after careful evaluation of the precision required to effectively coordinate statewide pay schedules.

In order to calculate the correct FLSA overtime rate, the assigned FLSA work period becomes increasingly important to payroll processing. The bi-weekly schedules presented provide employers with varying strategies for reducing overtime payments according to the employee's schedule.

For example, an agency with employees that work most of their hours on the weekend might want to consider the Friday –Thursday schedule. Managers can review the hours worked by their employees after the weekend and adjust schedules for the remainder of the week, as necessary, to prevent overtime.

Agencies that require an FLSA work period that is different than one of the options presented will need to document a strong case compelling the need for an alternate pay cycle.

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**Multiple Bi-Weekly Pay Cycles** If an agency determines that there is a valid business need to maintain multiple FLSA work periods for different groups of hourly employees, the agency may select more than one bi-weekly pay period for use within the agency.

As mentioned above, the FLSA work period of the employee must align with the bi-weekly cycle chosen. If there is a need to assign multiple FLSA work periods to different groups of hourly (wage) employees the agency will be allowed to use more than one of the bi-weekly cycles offered.

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## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

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**FLSA  
Overtime  
During the  
Transition  
Work Week**

Strategies for managing the transition from current FLSA work periods to one of the new options must be developed in consultation with the agency Human Resource Office.

Changes in FLSA work periods are delicate and can affect the overtime rate to be paid during that particular work period. Manual calculations may be required in CIPPS in order to pay the employee the correct overtime rate during the transition.

Transition plans should be approved by the agency Human Resource Officer. In addition, make sure that the agency Payroll Officer is aware of changes that could involve “weighted average” overtime rates, as these must be calculated manually in CIPPS.

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**Turnaround  
Time for  
Each Cycle**

When making the decision regarding the best pay cycle to use, agencies should consider the turnaround time involved with each cycle. The turnaround time is the time from the end of the pay period to the required certification date for the pay cycle.

Generally, State Payroll Operations will choose a certification date that is at least two business days prior to the check date. The required certification dates will be included in the payroll production calendar.

The length of turnaround time for each payroll cycle is listed below. Agencies should consider resources and agency dynamics when evaluating how much time is required to get timesheets approved and submitted to payroll for processing. Remember, the payroll office needs time to key and review timesheet entries prior to certification deadline which may take a couple of days.

- Cycle #1 – Sunday – Saturday – 11 days of turnaround
  - Cycle #2 – Monday – Sunday – 10 days of turnaround
  - Cycle #3 – Friday – Thursday – 13 days of turnaround
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**Monthly  
Adjunct and  
Student  
Payrolls**

Some agencies currently have monthly payrolls for non-traditional hourly employees such as students and adjunct faculty. Agencies with current monthly payrolls for these types of payments will be allowed to continue those cycles until further notice.

Agencies that normally process payments to non-traditional hourly employees (i.e., students and adjunct faculty) on a semi-monthly basis will be required to move those pay cycles to one of the three mandatory bi-weekly cycles.

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## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

### Transition Example #1

Agency XYZ has decided to use Cycle #1 because it matches their Sunday – Saturday FLSA work period. Hourly employees are currently paid according to the following pay schedule:

Pay Period Begin	Pay Period End	Check Date
1 <sup>st</sup> of a month	15 <sup>th</sup> of a month	1 <sup>st</sup> of the following month
16 <sup>th</sup> of a month	End of the Month	16 <sup>th</sup> of the following month

Agency XYZ should review the dates before July 1, 2017, in the Pay Calendar for Cycle #1 (found later in this bulletin) to find an instance where the last day of the semi-monthly cycle matches a bi-weekly pay period end date. April 15, 2017, matches the criteria. The transition will be planned as follows:

Pay Period Begin	Pay Period End	Check Date	
04/01/2017	04/15/2017	05/1/2017	Last Semi-Monthly
04/16/2017	04/29/2017	05/12/2017	First Bi-Weekly
04/30/2017	05/13/2017	05/26/2017	
05/14/2017	05/27/2017	06/09/2017	FY17
05/28/2017	06/10/2017	06/23/2017	
06/11/2017	06/24/2017	07/07/2017	FY18

### Transition Example #2

Agency LMNOP has decided to use Cycle #2 because it matches their Monday – Sunday FLSA work period. Hourly employees are currently paid according to the following pay schedule:

Pay Period Begin	Pay Period End	Check Date
1 <sup>st</sup> of a month	15 <sup>th</sup> of a month	1 <sup>st</sup> of the following month
16 <sup>th</sup> of a month	End of the Month	16 <sup>th</sup> of the following month

Agency LMNOP should review the dates before July 1, 2017, in the Pay Calendar for Cycle #2 to find an instance where the last day of the semi-monthly cycle matches a bi-weekly pay period end date. April 30, 2017, matches the criteria. The transition will be planned as follows:

Pay Period Begin	Pay Period End	Check Date	
04/16/2017	04/30/2017	05/16/2017	Last Semi-Monthly
05/01/2017	05/14/2017	05/26/2017	First Bi-Weekly
05/15/2017	05/28/2017	06/09/2017	
05/29/2017	06/11/2017	06/23/2017	FY17
06/12/2017	06/25/2017	07/07/2017	FY18

## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

### Transition Example #3

Agency QRST has decided to use Cycle #3 because it matches their Friday – Thursday FLSA work period. Hourly employees are currently paid according to the following pay schedule:

Pay Period Begin	Pay Period End	Check Date
1 <sup>st</sup> of a month	15 <sup>th</sup> of a month	1 <sup>st</sup> of the following month
16 <sup>th</sup> of a month	End of the Month	16 <sup>th</sup> of the following month

Agency QRST should review the dates before July 1, 2017, in the Pay Calendar for Cycle #3 to find an instance where the last day of the semi-monthly cycle matches a bi-weekly pay period end date. No dates match the ideal scenario. Next, Agency QRST should look for a date that is close to the preferred date. Shorten the previous semi-monthly period as follows to process the transition as shown:

Pay Period Begin	Pay Period End	Check Date	
03/16/2017	03/30/2017	04/16/2017	Last Semi-Monthly
03/31/2017	04/13/2017	04/28/2017	First Bi-Weekly
04/14/2017	04/27/2017	05/12/2017	
04/28/2017	05/11/2017	05/26/2017	
05/12/2017	05/25/2017	06/09/2017	
05/26/2017	06/08/2017	06/23/2017	FY17
06/09/2017	06/22/2017	07/07/2017	FY18

### Transition Example #4

Agency HIJK has decided to use Cycle #2 because it matches their Monday – Sunday FLSA work period; however, the agency's existing bi-weekly cycle of Monday – Sunday is on alternate weeks from Cycle #2 as required:

Pay Period Begin	Pay Period End	Check Date
04/24/2017	05/07/2017	05/19/2017
05/08/2017	05/21/2017	06/02/2017

The agency will have to make a transition payment of one week as shown below to transition to the required bi-weekly cycle:

Pay Period Begin	Pay Period End	Check Date	
04/24/2017	05/07/2017	05/19/2017	Last Payment Under Old Cycle
05/08/2017	05/14/2017	05/26/2017	One Week Payment
05/15/2017	05/28/2017	06/09/2017	First Payment Under Cycle #2
05/29/2017	06/11/2017	06/23/2017	
06/12/2017	06/25/2017	07/07/2017	FY18

## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

Pay Calendar Bi-Weekly Cycle #1  (Sunday – Saturday)	Pay Period Begin	Pay Period End	Check Date	Pay Period Letter	
		10/02/2016	10/15/2016	10/28/2016	I
	10/16/2016	10/29/2016	11/10/2016	J	
	10/30/2016	11/12/2016	11/25/2016	K	
	11/13/2016	11/26/2016	12/09/2016	L	
	11/27/2016	12/10/2016	12/23/2016	M	
	12/11/2016	12/24/2016	01/06/2017	N	
	12/25/2016	01/07/2017	01/20/2017	O	
	01/08/2017	01/21/2017	02/03/2017	P	
	01/22/2017	02/04/2017	02/17/2017	Q	
	02/05/2017	02/18/2017	03/03/2017	R	
	02/19/2017	03/04/2017	03/17/2017	S	
	03/05/2017	03/18/2017	03/31/2017	T	
	03/19/2017	04/01/2017	04/14/2017	U	
	04/02/2017	04/15/2017	04/28/2017	V	
	04/16/2017	04/29/2017	05/12/2017	W	
	04/30/2017	05/13/2017	05/26/2017	X	
	05/14/2017	05/27/2017	06/09/2017	Y	
	05/28/2017	06/10/2017	06/23/2017	Z	FY17
	06/11/2017	06/24/2017	07/07/2017	A	FY18
	06/25/2017	07/08/2017	07/21/2017	B	
	07/09/2017	07/22/2017	08/04/2017	C	
	07/23/2017	08/05/2017	08/18/2017	D	
	08/06/2017	08/19/2017	09/01/2017	E	
	08/20/2017	09/02/2017	09/15/2017	F	
	09/03/2017	09/16/2017	09/29/2017	G	
	09/17/2017	09/30/2017	10/13/2017	H	
	10/01/2017	10/14/2017	10/27/2017	I	
	10/15/2017	10/28/2017	11/10/2017	J	
	10/29/2017	11/11/2017	11/24/2017	K	
	11/12/2017	11/25/2017	12/08/2017	L	
	11/26/2017	12/09/2017	12/22/2017	M	
	12/10/2017	12/23/2017	01/05/2018	N	
	12/24/2017	01/06/2018	01/19/2018	O	
	01/07/2018	01/20/2018	02/02/2018	P	
	01/21/2018	02/03/2018	02/16/2018	Q	
	02/04/2018	02/17/2018	03/02/2018	R	
	02/18/2018	03/03/2018	03/16/2018	S	
	03/04/2018	03/17/2018	03/30/2018	T	
	03/18/2018	03/31/2018	04/13/2018	U	
	04/01/2018	04/14/2018	04/27/2018	V	
	04/15/2018	04/28/2018	05/11/2018	W	
	04/29/2018	05/12/2018	05/25/2018	X	
	05/13/2018	05/26/2018	06/08/2018	Y	
	05/27/2018	06/09/2018	06/22/2018	Z	

## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

Pay Calendar Bi-Weekly Cycle #2  (Monday – Sunday)	Pay Period Begin	Pay Period End	Check Date	Pay Period Letter	
		10/03/2016	10/16/2016	10/28/2016	I
	10/17/2016	10/30/2016	11/10/2016	J	
	10/31/2016	11/13/2016	11/25/2016	K	
	11/14/2016	11/27/2016	12/09/2016	L	
	11/28/2016	12/11/2016	12/23/2016	M	
	12/12/2016	12/25/2016	01/06/2017	N	
	12/26/2016	01/08/2017	01/20/2017	O	
	01/09/2017	01/22/2017	02/03/2017	P	
	01/23/2017	02/05/2017	02/17/2017	Q	
	02/06/2017	02/19/2017	03/03/2017	R	
	02/20/2017	03/05/2017	03/17/2017	S	
	03/06/2017	03/19/2017	03/31/2017	T	
	03/20/2017	04/02/2017	04/14/2017	U	
	04/03/2017	04/16/2017	04/28/2017	V	
	04/17/2017	04/30/2017	05/12/2017	W	
	05/01/2017	05/14/2017	05/26/2017	X	
	05/15/2017	05/28/2017	06/09/2017	Y	
	05/29/2017	06/11/2017	06/23/2017	Z	FY17
	06/12/2017	06/25/2017	07/07/2017	A	FY18
	06/26/2017	07/09/2017	07/21/2017	B	
	07/10/2017	07/23/2017	08/04/2017	C	
	07/24/2017	08/06/2017	08/18/2017	D	
	08/07/2017	08/20/2017	09/01/2017	E	
	08/21/2017	09/03/2017	09/15/2017	F	
	09/04/2017	09/17/2017	09/29/2017	G	
	09/18/2017	10/01/2017	10/13/2017	H	
	10/02/2017	10/15/2017	10/27/2017	I	
	10/16/2017	10/29/2017	11/10/2017	J	
	10/30/2017	11/12/2017	11/24/2017	K	
	11/13/2017	11/26/2017	12/08/2017	L	
	11/27/2017	12/10/2017	12/22/2017	M	
	12/11/2017	12/24/2017	01/05/2018	N	
	12/25/2017	01/07/2018	01/19/2018	O	
	01/08/2018	01/21/2018	02/02/2018	P	
	01/22/2018	02/04/2018	02/16/2018	Q	
	02/05/2018	02/18/2018	03/02/2018	R	
	02/19/2018	03/04/2018	03/16/2018	S	
	03/05/2018	03/18/2018	03/30/2018	T	
	03/19/2018	04/01/2018	04/13/2018	U	
	04/02/2018	04/15/2018	04/27/2018	V	
	04/16/2018	04/29/2018	05/11/2018	W	
	04/30/2018	05/13/2018	05/25/2018	X	
	05/14/2018	05/27/2018	06/08/2018	Y	
	05/28/2018	06/10/2018	06/22/2018	Z	

## Mandatory Bi-Weekly Pay Cycles for Hourly Employees, continued

Pay Calendar Bi-Weekly Cycle #3  (Friday – Thursday)	Pay Period Begin	Pay Period End	Check Date	Pay Period Letter	
		09/30/2016	10/13/2016	10/28/2016	I
	10/14/2016	10/27/2016	11/10/2016	J	
	10/28/2016	11/10/2016	11/25/2016	K	
	11/11/2016	11/24/2016	12/09/2016	L	
	11/25/2016	12/08/2016	12/23/2016	M	
	12/09/2016	12/22/2016	01/06/2017	N	
	12/23/2016	01/05/2017	01/20/2017	O	
	01/06/2017	01/19/2017	02/03/2017	P	
	01/20/2017	02/02/2017	02/17/2017	Q	
	02/03/2017	02/16/2017	03/03/2017	R	
	02/17/2017	03/02/2017	03/17/2017	S	
	03/03/2017	03/16/2017	03/31/2017	T	
	03/17/2017	03/30/2017	04/14/2017	U	
	03/31/2017	04/13/2017	04/28/2017	V	
	04/14/2017	04/27/2017	05/12/2017	W	
	04/28/2017	05/11/2017	05/26/2017	X	
	05/12/2017	05/25/2017	06/09/2017	Y	
	05/26/2017	06/08/2017	06/23/2017	Z	FY17
	06/09/2017	06/22/2017	07/07/2017	A	FY18
	06/23/2017	07/06/2017	07/21/2017	B	
	07/07/2017	07/20/2017	08/04/2017	C	
	07/21/2017	08/03/2017	08/18/2017	D	
	08/04/2017	08/17/2017	09/01/2017	E	
	08/18/2017	08/31/2017	09/15/2017	F	
	09/01/2017	09/14/2017	09/29/2017	G	
	09/15/2017	09/28/2017	10/13/2017	H	
	09/29/2017	10/12/2017	10/27/2017	I	
	10/13/2017	10/26/2017	11/10/2017	J	
	10/27/2017	11/09/2017	11/24/2017	K	
	11/10/2017	11/23/2017	12/08/2017	L	
	11/24/2017	12/07/2017	12/22/2017	M	
	12/08/2017	12/21/2017	01/05/2018	N	
	12/22/2017	01/04/2018	01/19/2018	O	
	01/05/2018	01/18/2018	02/02/2018	P	
	01/19/2018	02/01/2018	02/16/2018	Q	
	02/02/2018	02/15/2018	03/02/2018	R	
	02/16/2018	03/01/2018	03/16/2018	S	
	03/02/2018	03/15/2018	03/30/2018	T	
	03/16/2018	03/29/2018	04/13/2018	U	
	03/30/2018	04/12/2018	04/27/2018	V	
	04/13/2018	04/26/2018	05/11/2018	W	
	04/27/2018	05/10/2018	05/25/2018	X	
	05/11/2018	05/24/2018	06/08/2018	Y	
	05/25/2018	06/07/2018	06/22/2018	Z	