

Hello Faculty,

We wanted to make you aware of a change in how deferred pay will work in WorkDay. The Twelve Month Deferred Payroll Distribution Plan provides a method for academic employees on 9-month appointments to elect to spread their gross salary over the 12-month period.

**How it worked in Banner:**

In our legacy system the deferred pay agreement ran October through September of the next year. Because faculty start earning pay mid Sept, this first month's salary was placed into the deferred pay 'bucket' to pay out in the months where no salary was earned. Then each month thereafter a faculty would receive 75% of what they earned and the remaining 25% would be placed into the bucket. Here is a sample of what pay would look like for a faculty member on a 9 month contract who elected to have their 9 months paid out over 12 months in our legacy Banner system.

|  | Sep      | Oct      | Nov      | Dec      | Jan      | Feb      | Mar      | Apr      | May      | Jun        | Jul        | Aug        | Sep        | Total paid |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|------------|------------|------------|------------|
| What you earn, paid in the month you earned it | \$ 4,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000   | \$ 4,000   |            |            | \$ 72,000  |
| What SOU pays                                  |          | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000   | \$ 6,000   | \$ 6,000   | \$ 6,000   | \$ 72,000  |
| what SOU holds to pay later                    | \$ 4,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ (2,000) | \$ (6,000) | \$ (6,000) | \$ (6,000) | \$ -       |

**How it works in WorkDay:**

Deferred pay agreements will now start Sept 16<sup>th</sup> and run through the following Sept 15<sup>th</sup>. Each month a faculty will receive 75% of what they earned and the remaining 25% would be placed into the deferred pay bucket. Here is a sample of what pay would look like for a faculty member on a 9 month contract who elected to have their 9 months paid out over 12 months in Workday. So on a deferred pay agreement, every paycheck should be about the same as the prior paycheck, or larger if there were increases in salary provided.

|  | Sep      | Oct      | Nov      | Dec      | Jan      | Feb      | Mar      | Apr      | May      | Jun        | Jul        | Aug        | Sep        |           |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|------------|------------|------------|-----------|
| What you earn, paid in the month you earned it | \$ 4,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 8,000   | \$ 4,000   |            |            | \$ 72,000 |
| What SOU pays                                  | \$ 3,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000   | \$ 6,000   | \$ 6,000   | \$ 3,000   | \$ 72,000 |
| what SOU holds to pay later                    | \$ 1,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ (2,000) | \$ (6,000) | \$ (6,000) | \$ (3,000) | \$ -      |

**What is the difference:**

The biggest difference you will see is that deferred pay will now begin September 16 and a faculty member will receive ½ a month's pay due to starting mid September times 75% due to deferred pay election. 25% will be set aside with the start of the contract. The deferred pay contract will now end September 15.