



OUTLINING THE PAYROLL SIMPLIFICATION PROCESS

As many of you know, Human Resources Management is working to facilitate the goals outlined in Northeastern 2025 by being more customer focused, efficient, and effective in delivering human resources services. As part of this, we are taking steps to stabilize and simplify our payroll processes.

Today, we run 140 payrolls and process 1,200 off-cycle checks each year, all of which requires manual intervention. Not only is this complex process unsustainable and prone to error, but it is also not set up to support Northeastern's future growth. This year we have implemented new audits and internal process enhancements, which have increased accuracy and helped stabilize the payroll process, and now we are announcing further enhancements.

The payroll simplification process is designed to enhance payroll accuracy, strengthen compliance with regulations, create a consistent employment experience across the university, and help us adopt scalable systems that can grow with our university. Most important, it supports our commitment to treat every individual in a fair and equitable manner.

Over the next 12 to 18 months, we will introduce a series of changes. Every step of the way, we will communicate to ensure that Northeastern's employees are well informed of the changes and understand why they are being made. Not all employees will be affected by every change, so communications will be personalized to provide relevant information.

Taking effect July 1, 2019, the payroll simplification process will:

1. Align salary and personnel changes with the first day of the work week
2. Maintain standard pay cycles and pay days during holidays
3. Achieve 100% compliance with time tracking
4. Provide consistent vacation accrual rates across the university
5. Standardize overtime pay

To provide more information about these 5 components, we've enclosed answers to frequently asked questions (FAQs).

Please note: not every employee will be impacted by every change. Employees who are impacted by a change will receive customized communications.

ANSWERS TO FAQs

1. ALIGN SALARY AND PERSONNEL CHANGES WITH THE FIRST DAY OF THE WORK WEEK

When faculty or staff are promoted or change jobs within the university, their salary and title changes will become effective on the first day of a work week, which is Sunday, except for members of Facilities, whose first day of the work week is Monday.

Q: How will the revised process work?

A: Once all required approvals are confirmed and submitted, changes will take effect the first day of the work week after a period of five working days.

Q: What if I need to make a retroactive change?

A: Changes, if necessary, can be made retroactively, up to 30 days in arrears, and will be aligned to the first day of the work week.

Q: Why are retroactive changes limited to 30 days?

A: To ensure that your pay accurately reflects your role at the university, it's important that employment changes be approved and recorded in a timely fashion.

Q: What if I need an exception to the 30-day retroactive period?

A: Exceptions will require the approval of a department head or higher-level manager.

Q: Does this change apply to new hires?

A: No. New hires will begin their job on the date agree upon and indicated in their offer letter.

Q: How does this change support simplification?

A: Changes that are aligned with the start of the work week can be automatically calculated in Banner HR, our payroll system, which helps ensure accuracy. In contrast, changes that are *not* aligned with the start of the work week require time-consuming manual calculations which can increase the potential for errors.

2. MAINTAIN STANDARD PAY CYCLES DURING HOLIDAYS

Instead of receiving paychecks early (for example, before Thanksgiving or winter break), faculty and staff will receive their pay on their regularly scheduled date. When a bank holiday falls on a payday, employees will be paid on the last working day prior to the bank holiday.

In 2019, this change means that during the week of Thanksgiving, employees who are paid weekly and semimonthly will be paid on Friday, November 29. During winter break, weekly employees will be paid on Friday, December 27; semi-monthly will be paid on Tuesday, December 31.

Q: I don't have direct deposit. How can I get my check if HRM is closed?

A: Northeastern strongly encourages all faculty and staff to enroll in direct deposit.

During the week of Thanksgiving, individuals who do not have direct deposit can pick up their check from HRM on Wednesday, November 27, 2019, though please note that checks will be dated for November 29, 2019. We will communicate a similar arrangement for the period leading up to winter break.

Q: How do I enroll in direct deposit?

A: It's easy. Simply click [here](#) and follow the instructions.

3. ACHIEVE 100% COMPLIANCE WITH TIME TRACKING

An integral part of the payroll process, our Time Tracking system helps the university maintain compliance with state and federal laws and regulations. In the two years since we introduced the Time Tracking System, we have achieved 50% compliance. Working together, our goal is to achieve 100% compliance, with every employee using Time Tracking system on a consistent basis.

Q: How is time tracking compliance linked to payroll?

A: All changes to standard pay (for example, overtime, pay differentials, or salary reductions) are captured in the Time Tracking system—data that is transmitted to payroll and used to calculate paycheck amounts. To ensure accurate paychecks, time must be entered and approved in accordance with the time tracking schedule.

Q: What do I need to do and when do I need to it?

A:

- **Faculty and staff with direct reports** are expected to review, make necessary changes, and submit approved time sheets for each member of their staff by the end of day on Friday, or no later than 9:00 a.m. on Monday.
- **Staff who are non-exempt** and thus eligible for overtime are expected to edit (if necessary), affirm, and submit their timesheets by noon on Friday of each week—though we understand that it may not be possible for individuals who work on Saturday.
- **Managers/Time Administrators** must review and approve ALL timesheets each week, including Temp Non-students who have 0 hours.
- **All Faculty and Staff who are not eligible for overtime** are expected to record and submit their Paid Time Off as required by their position.

Q: Where can I go to receive training on using the Time Tracking system?

A: To help you with Time Tracking, HRM offers a [dedicated webpage](https://northeastern.edu/hrm/resources/time_tracking) that includes comprehensive training materials and resources. The address is:
[Northeastern.edu/hrm/resources/time_tracking](https://northeastern.edu/hrm/resources/time_tracking)

If you have questions or require more information, simply reach out to the Key Contact or the Time Tracking Administrator for your area.

Q: How does Time Tracking affect “final payouts?”

A: Our Time Tracking system records paid-time-off balances—information that is used to generate final payouts. When employees leave Northeastern, they are paid for their unused accrued vacation time, and in certain circumstances, for unused sick time. Accordingly, if the paid-time-off balances in the Time Tracking system are incorrect, the final payout will be incorrect.

4. PROVIDE CONSISTENT VACATION ACCRUAL RATES

Office Support, Technical, Crafts, and Service staff who have worked at Northeastern for less than 9 years will accrue additional vacation days. This change will align their vacation accrual rate with that of their peers who are grades 9-11 and have similar years of service. The new accrual rates are:

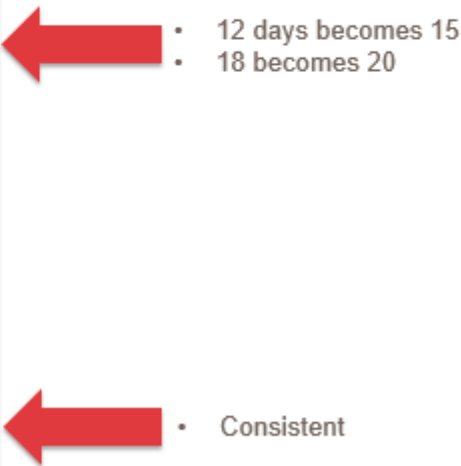
- Office Support, Technical, Crafts and Service staff with **less** than 4 years of service will accrue 3 more vacation days each year. The monthly accrual rate will increase from 1 day/month to 1.25 days/month, up to an annual maximum of 15 days.
- Office Support, Technical, Crafts and Service staff with **more** than 4 and less than 9 years of service, will accrue 2 more vacation days each year. The monthly accrual rate will increase from 1.5 days/month to 1.67 days/month, up to an annual maximum of 20 days.

Q: Why is only a subset of the staff receiving a new accrual rate?

A: This group is currently accruing less vacation than their peers in grades 9-11; this change will provide a consistent vacation accrual rate as depicted below.

Full-Time Benefits-Eligible Accrual Rates:		
Office Support, Technical, Crafts and Service Staff		
YEARS OF SERVICE	MONTHLY VACATION ACCRUAL	ANNUAL MAXIMUM
Up to 4 years completed	1 day	12 days
Over 4 years of completed service and less than 9 years of service	1.5 days	18 days
Over 9 years of completed service and less than 14 years of service	1.67 days	20 days
Over 14 years of completed service	2 days	24 days

Administrative/Professional Staff, Grades 9-11		
YEARS OF SERVICE	MONTHLY VACATION ACCRUAL	ANNUAL MAXIMUM
Up to 4 years of completed service	1.25 days	15 days
Over 4 years of completed service and less than 14 years of service	1.67 days	20 days
Over 14 years of completed service	2 days	24 days



- 12 days becomes 15
- 18 becomes 20

- Consistent

Q: How will I know if this change impacts me?

A: Everyone who will be impacted by this change will be notified directly about their new accrual rate which will become effective on July 1, 2019.

Q: Will the additional vacation days be available on July 1?

A: The new accrual rate will take effect on July 1 which will lead to 2 or 3 more vacation days over a 12 month period; time will continue to be accrued on a monthly basis.

Q: If I'm impacted, what do I need to do?

A: No action is required of you. You will be able to see the new monthly accrual rate in the Time Tracking system on or after July 15, when the accruals post.

Q: How many people does this change affect?

A: Approximately 400 individuals will be impacted.

5. STANDARDIZE OVERTIME PAY

To ensure consistent overtime payroll practice across the university, all employees who are eligible for overtime (all non-exempt staff are eligible for overtime) will begin earning overtime after they have worked 40 hours in a given work week.

Q: Who will be impacted by this change?

A: Staff who are currently eligible to earn overtime for work between 35 and 40 hours (known as “OT1” and paid at the rate of 1.16) will no longer be eligible for OT1. Instead, that time will be paid at the usual hourly rate. However, they will continued to be paid 1.5 (time-and-a-half) for work in excess of 40 hours in a given work week.

Q: How will I know if this change impacts me?

A: Everyone who will be impacted by this change will be notified directly. To mitigate the impact resulting from the termination of overtime pay for time worked between 35 and 40 hours, they will receive a one-time payment of \$250 in their June 28 check. As stated above, they will, however, continued to be paid 1.5 (time-and-a-half) for work in excess of 40 hours in a given work week.

Q: If I’m impacted, what do I need to do?

A: Nothing. No action is required.