For all status employees, who are paid on a fiscal year basis (26 pay periods), there will be no benefit deductions for the pay period ending August 21, 2020 with a paycheck issued on August 28, 2020. This is referred to as a “Benefits Holiday”.

1. Why are there no employee benefit deductions being made in the August 28th paycheck?

Deductions are based on the annual cost of the employee portion of benefits, divided by the number of paychecks in a year. For fiscal year employees, that number is 26 (for the academic year, it is 20.) However, due to this year’s calendar, there are 27 paychecks – one more paycheck than what is needed to collect deductions – therefore, the August 28th paycheck will not have benefit deductions collected.

2. What deductions will remain in the August 28th paycheck?

Mandatory payroll deductions (such as FICA taxes, Social Security, Medicare) and contributions to your retirement plans. If you have deductions for Long-Term Care insurance through Genworth, this will also be deducted.

3. What does this mean for me?

Ultimately, it means a change in net compensation for this one pay period. It does not mean that you are paying any less for benefits than any other employee – the annual amount in deductions is the same regardless of being on a 26 pay cycle or 20 pay cycle.

4. Why was this pay period selected?

The pay period ending August 21, 2020 is also the “gap” pay period between Academic Years – where AY employees do not have payroll processing. This unique variable presented itself as an opportune time for the Benefits Holiday.

5. Is this a “one time” event?

No. While the years in which we have 27 pay periods are few, it does happen on occasion. When it does, this is our standard practice.

If you have any additional questions, please contact your Campus HR Department.