

## Q. What is the difference between “*Spread Pay*” and “*Standard Pay*”?

**A.** These terms refer to payroll options. *Standard Pay* is the default payroll option, which results in employees receiving pay as earned throughout the course of their contract dates. Academic year contracts typically cover 39 weeks and, thus, result in 19.5 biweekly pays.

*Spread Pay* is a payroll option that takes the projected fiscal year salary or payroll and divides by the number of projected pay periods (normally 26 pay periods per year). Employees on academic year contracts who select this payroll option are paid over 26 pay periods rather than 19.5 pay periods as under the default *Standard Pay* explained above.

Employees receive the same amount of gross annual pay under each payroll option.

## Q. How will changing to standard pay impact my health insurance benefits and my payroll deduction for employee contributions?

**A.** Changing to standard pay does not impact your eligibility for health insurance coverage. You will continue to be covered during the entire year with your full 12-month contributions deducted from the pay checks you receive (20 pay periods) and the University will continue to make employer contributions on your behalf every month. If you transition from spread pay to regular pay, during the first year you have a few options for paying your employee contribution during the pay periods for which you will not be receiving a paycheck. Please contact Benefit Services to review benefit contribution payment options for your individual situation during that first year.

## Q. How will the timing of my pay be impacted from the change from spread pay to standard pay?

**A.** The timing of paychecks for an employee on spread pay in FY2020 and moving to standard pay in FY2021 is as follows:

- The last paycheck for FY2020 spread pay will be on July 10, 2020.
- The first paycheck for FY2021 standard pay will be on September 4, 2020 (*the first pay will cover one week rather than two, so will result in a smaller paycheck*).
- and the last paycheck for FY2021 will be on May 28, 2021
- The first paycheck for FY2022 standard pay will be on September 3, 2021.

## Q. What options do I have to ensure that I have enough money to get through the summer months?

**A.** As outlined in the answer to the previous question, your gap without pay during the summer of 2020 will be 7 weeks, or 3.5 biweekly paychecks. You may need to consider setting aside money from each paycheck during the academic year which, combined with any other available savings, will provide funds equal to those 3 biweekly paychecks. Your gap without pay during the summer of 2021 will be 12 weeks, or 6 biweekly paychecks. Keep in mind that your gross biweekly paychecks during the FY2021 academic year on standard pay will be higher by roughly 25% than

under the spread pay option. Therefore, you should have the ability to save a bit more, should it be necessary to supplement your savings in order to have funds for the longer payroll gap in 2021.

A convenient way to set aside savings is to utilize the direct deposit function with VandalWeb. You may direct your payroll deposit to multiple banking institutions. Using this method, you can designate a fixed dollar amount or percentage of your net pay to deposit directly to a savings account. Access this feature by logging into VandalWeb and selecting **Employees → Payroll → Direct Deposit Review or Update**.

Should you wish to discuss your specific situation in more detail, you may contact us at [spreadpay@uidaho.edu](mailto:spreadpay@uidaho.edu).

**Q. If I switch from spread pay to standard pay, will I continue to be paid bi-weekly or will this change to monthly?**

**A.** UI pays all employees on a bi-weekly payroll calendar. This will not change if you switch from spread pay to standard pay. You may see a reference in some parts of the spread pay communications or FAQs to the word “monthly”, but this does not mean that your pay will be received monthly rather than bi-weekly.

**Q. I have a 9-month appointment AND administrative duties that result in additional compensation for summer work. Will the summer work still be paid during summer if I chose to go to standard pay for the 9-month portion of my contract?**

**A.** Regardless of Standard Pay or Spread Pay; salary for summer appointments will continue to be paid over the time period that it is earned; therefore, paid out during the summer.

**Q. Will changing to standard pay impact my payroll deductions for Student Recreation Center membership and/or parking permit?**

**A.** The Student Recreation Center will work with any employee who moves from spread pay to standard pay to ensure a smooth transition and no interruption to access.

Your Parking Permit payroll deductions are already limited to pay periods falling within the academic year, so moving to standard pay should not impact your current payment options.

**Q. When opting out of Spread Pay how much of my benefits will I have to cover during the time I am not receiving a paycheck?**

**A.** You will continue to be covered during the entire year with your full 12-month contributions deducted from the pay checks you receive (20 pay periods) and the University will continue to make employer contributions on your behalf every month. If you transition from spread pay to regular pay, during the first year you have a few options for paying your employee contribution during the pay periods for which you will not be receiving a paycheck. Please contact Benefit

Services to review benefit contribution payment options for your individual situation during that first year.

## Q. What are the leave options for classified employees?

**A.** Classified employees working less than 12 months and moving to a Standard Pay schedule must work their entire work schedule within a single continuous block within the fiscal year or take their leave without pay with benefits (LWOP) in a single continuous block within the fiscal year.

## Q. Can an employee use paid leave during the time that they are not on appointment?

**A.** No, employees on standard pay may only use their leave when on contract.

## Q. If I elect standard pay, am I covered by workman's comp. and University Liability if I work unpaid over summer, including a scenario where I do not have a summer contract?

**A. Workers' Compensation:** Employees on academic year contracts are covered during the summer months when they are providing services and acting in the course and scope of their duties (whether they are paid or acting as volunteers). Therefore, you may choose spread pay or standard pay without affecting your workers' compensation coverage.

**Liability Coverage:** As defined in the Idaho Tort Claims Act (Title 6-902.4), an employee means an officer, board member, commissioner, executive, or servant of a governmental entity, including elected or appointed officials, and persons acting on behalf of the governmental entity in any official capacity, temporarily or permanently in the service of the governmental entity, whether with or without compensation. Therefore, you may choose spread pay or standard pay without increasing personal exposure to legal liability for acts or omissions occurring in the course and scope of employment.

## Q. How will moving from spread pay to standard pay impact my PERSI retirement benefits?

**A.** Your PERSI retirement benefits take a number of factors into account. For some employees there may be little to no impact by this change, whereas other employees may be impacted to a greater degree. We encourage you to contact PERSI directly if you are nearing retirement and need to factor this into your decision. Very few of our academic year faculty and staff are covered by PERSI, and we recognize that there is enough uncertainty related to this issue that switching to standard pay may not be palatable.

## Q. How will this affect my taxes?

**A.** Standard pay results in a larger paycheck every two weeks (roughly 25% higher) than you currently receive under spread pay. Because the tax tables make the assumption that your biweekly payroll will be paid every two weeks for an entire year, this may result in higher tax withholding over the year than if you spread your pay over 12 months. However, this is all reconciled when you file your taxes and would be reflected in any refund or tax due at that time. You can mitigate the impact of this by changing your withholding allowances, which you can do any time on VandalWeb.

You might try the Tax Withholding Calculator available on the IRS website.

<https://apps.irs.gov/app/withholdingcalculator/>

[www.paycheckcity.com](http://www.paycheckcity.com) also offers some useful payroll withholding calculators.

## **Q. Will the incentive be available for future years?**

**A.** The incentive was offered to employees making an irrevocable election to switch from spread pay to standard pay in FY2017, FY2018, FY2019 and FY2020, but is not being offered for FY2021. At this time, there is no guarantee that the incentive will be available for future years.

## **Q. If I want to keep the Spread Pay payroll option, do I need to do anything?**

**A.** Employees who are currently on the spread pay payroll option and wish to keep it will be required to complete an annual election in order to be in compliance with the federal tax code. This election will be complete online for FY2021. All impacted employees will be notified via email when the online election form is available, which we expect to be in April 2020.