

Human Resource and Payroll Policies and Processes Impacted by HRMS

For Use by Departments

Changes affecting all employee groups (Academic, Staff, Hourly)

1. **University ID.** HRMS will create a new, ten-digit University ID for every employee.
2. **Appearance of pay checks and pay advices.** New paychecks and pay advices will be created with the implementation of HRMS. These will be clearer and contain more information than was possible before. An explanation about the contents of the pay checks/advices will be distributed with each employee's first January paycheck.
3. **Additional pay.** Temporary pay adjustments and premium pay adjustments currently processed on PAFs will now be processed as E-Docs additional pays. These types of pay will no longer result in an adjustment to an employee's base pay—they will be in addition to the base pay. Bonus plan payments, supplementals, and other compensation that does not affect base pay will use the additional pay process, replacing the Supplemental Pay Voucher and Bonus Worksheet Voucher. Premium pay such as premium shift and holiday pay will continue to be paid on the vouchers.
4. **Supplemental pay for monthly paid Academic and Staff employees.** Supplemental pay for these employees will follow their regular pay schedule. Federal withholding will continue at the 27 percent flat rate.
5. **Retroactive payments.** Retroactive payments will no longer be taxed at 27 percent. The federal income tax deduction will be at the employee's regular tax rate based on the employee's exemptions.
6. **Pay without approval.** IU will no longer pay nor terminate an employee without an approved employee activity transaction (formerly the PAF).
7. **Advance payroll activity.** Voucher extracts will no longer run off of an unapproved appointment. Vouchers will only run for those who have an approved appointment in the system.
8. **IU Credit Union payments.** These payments will no longer be taken as a deduction from pay, but instead will be a direct deposit.
9. **FICA for Student Academic Appointments (SAA) and Hourly employees.** The student enrollment process will determine whether an employee is exempt from FICA. This process will be run for *all* Hourly employees (except for Hourly PERF employees), including work-study. The current system checks student appointments only. Students who meet the exemption will be exempt from FICA; those who do *not* meet the exemption will be charged FICA.
10. **International hires.** An alternative business flow is in place for non-U.S. citizen and nonpermanent resident hires. The Office of International Services will work more closely with departments to assure the appropriate visa status has been secured before hiring an employee.

11. **Processing of INS Form I-9.** A completed I-9 form is required for all new hires. An employee who does not produce the necessary documentation to complete the I-9 form within three days of the effective appointment date must be stopped from working. The I-9 form, along with tax forms, etc. can follow the submission of the Hire E-Doc; however, departments are encouraged to have new hires provide documentation for the I-9 form at the same time as the Personal Profile Form (ED).
12. **New hire workflow.** Departments should complete the Hire E-Doc as soon as possible to facilitate timely processing of appointments and benefits. In cases where the new hire is not available to facilitate completion of the I-9 form, departments should submit the Hire E-Doc and follow-up with the additional required paperwork. At IUPUI, the I-9 form and all other new hire documentation will be submitted at the time of the E-Doc submission.
13. **Personal Profile Form.** New forms have been designed to collect personal data for Academic, Staff, and Hourly employees. These forms replace the Personal Data Form and the Personal and Professional History of Academic Appointees. The new forms are available at www.indiana.edu/~uhhrs/hrms/ppforms.html.
14. **Pooled position templates.** The university will no longer use one position number for pooled positions. Each department will have its own position number for each type of pooled positions.
15. **Voucher and check sorting.** Voucher and check/pay advice distribution will be based on the campus and department of the employee's position and distribution work area. Currently it is based upon distribution account numbers in the payroll.
16. **Timing of job actions on payroll vouchers.** If a department initiates an E-Doc for *any* job action (e.g., additional pay, change in pay rates, change in funding) that will affect an employee's earnings for the current open payroll voucher, the job action must be reflected on the voucher *before* entering hours on the voucher for that employee.

Changes affecting Academic employees

1. **Academic ranks.** Administrative post grades will be used instead of academic ranks. An administrative post grade will be assigned for each title held.
2. **Summer pay.** Summer pay will no longer be paid on seven separate summer calendars. Those receiving summer pay will be paid with the monthly pay schedule on June 1, July 1, August 1, and September 1. A complete breakdown of what portion of a summer employee's pay will be made on what date will be published for departments.
3. **Contract pay.** All Student Academic Appointments (SAA) and instructional faculty paid off of an object code 2300 will be appointed via contract pay. Contract pay will enable units to capture a payment start and stop date.
4. **Partial pay.** Partial pay for 10-month Academic employees will no longer be prorated based on semester days. It will be calculated according to the number of days worked in the month. Partial pay is necessary when an employee begins work after the start of the pay period or ends employment before the end of the pay period. For the purposes of calculating partial pay, all Academic employees will be considered to have a 5-day workweek.
5. **August payment.** All new 10-month faculty and new part-time faculty on contract pay will be paid on September 1. Only 10-month Student Academic Appointments (SAA) will be paid on September 15.

6. **May payment.** Only 10-month Student Academic Appointments (SAA) will continue to be paid on the early pay date in May (usually the day following Bloomington campus commencement). All other 10-month Academic employees and part-time faculty, including those on contract pay, will be paid with the regular monthly schedule on June 1, instead of the early May pay date.
7. **Annualized pay.** HRMS will identify the total contract pay for Academic employees and calculate the total tax liability. Then, this tax amount will be divided equally over the monthly contract pay periods. This process may result in less tax being withheld for some employees.
8. **Fellowships.** Currently, fellowship recipients receive stipends for the next month. Since these are not wages, they are given in advance. Because these will be posted to the ledgers in the month for which funds are expended, IU will no longer have to hand draw checks on their first check nor will terminations be processed a month early.

Changes affecting appointed Staff and Hourly employees

1. **University seniority date.** Hourly service will no longer be considered when determining the university seniority date for appointed Staff. The university seniority date for appointed Staff hired before January 1, 2003, will not change; the date for appointed Staff hired after January 1, 2003, will be the date of the most recent appointment.
2. **University service credit.** University service credit is the total amount of time (recorded in years, months, and days) a person has been employed with the university in eligible positions. For appointed Staff hired before January 1, 2003, this credit is determined by the university seniority date or the adjusted service date, if one exists. For appointed Staff hired after January 1, 2003, this credit will include previous employment in appointed positions, plus employment in PERF hourly positions after January 1, 2003. The service credit will be used to determine the following: paid time off accruals rates, terminal pay limits, and service recognition awards. Service credit will be earned during FMLA and medical and military leaves of absence. It will not be earned during other leaves of absence.
3. **Credit for hourly service when an employee goes on appointed status.** Only PERF hourly service will count toward service credit. Continuous hourly service will no longer be considered when determining the following: seniority, length of the new-employee evaluation period, and amount of Income Protection Time and Vacation earned.
4. **Use of time off by newly appointed nonexempt Staff.** These employees will be able to use their time off (Income Protection Time and Vacation) after the first paycheck.
5. **Overtime rate in a multiple job situation.** The hourly rate used to determine the overtime rate will be a weighted average and will include any temporary pay, bonus pay, or other premium pay that the employee receives during the period in which the overtime was worked.
6. **Multiple jobs.** Each new appointment will be reviewed for possible multiple job situations. HRMS will identify an employee's primary job, and this will be used to process payroll and benefits. The overtime rate will be based on the weighted average of the rates for all jobs the employee works in a workweek. The department that causes the overtime hours will be responsible for the overtime pay. HRMS will calculate a weighted average hourly amount for overtime entered into the payroll vouchers, except for hourly Overtime Only appointments.
7. **Lengths of leaves of absence.** Leaves of absence will be limited to one year. A leave can no longer be extended beyond one year.

8. **Leave balances.** Leave balances that become negative will no longer dock a biweekly employee's paycheck automatically. Each department will need to monitor such situations to avoid overpayments (initially using reports that FMS Payroll will generate).
9. **Terminal pay for exempt (monthly paid) Staff employees.** Terminal pay will be calculated based on 2080 hours per year, rather than the current practice of figuring actual work days.
10. **Reclassification.** The effective date of a reclassification may change slightly for each functional group of employees (Professional, Support, and Service Maintenance Staff). Reclassification changes in rank are not retroactive; however, pay may be provided back to the effective date of the reclassification action. There are no changes for IUPUI in this area.
11. **SM/FS functional group name.** For campuses with Service Maintenance/Food Service employees (Bloomington and South Bend), the functional group name will change to Service Maintenance. This does not impact occupational units within this group.
12. **Vouchers.** Payroll clerks will no longer be able to change the standard (or regular) hours for biweekly Staff employees. For example, in the past an employee worked 32 hours of REG and 8 SCK. In the future, standard hours will stay 40 per week, and 8 hours of SCK will be posted.
13. **Encumbrances.** Nine- and 10-month biweekly encumbrances will not calculate correctly in HRMS. The encumbrance will be calculated based on 12 months. There are fewer than 25 employees with these kinds of biweekly encumbrances, and these biweekly encumbrances being out of balance affects Bloomington appointments only. Contact FMS for assistance.

Changes affecting Hourly employees

1. **Retroactive adjustments for Hourly employees.** All retroactive payments for Hourly employees must be processed in an off-cycle payroll. This means that such retroactive pay will not be included in their regular hourly payments.

Changes affecting Benefits Administration

1. **Stop date for health care coverage.** Coverage will end on the last day of eligibility; for example, midnight on the last day of active, full-time employment. Currently, health coverage ends on the last day of the last month of employment.
2. **Tax Deferred Annuity (TDA) Plan contributions.** TDA contributions will no longer be a flat dollar amount—they will be a percentage of the employee's base pay.
3. **Tax Deferred Annuity (TDA) Plan investment choices.** TDA participants will be able to choose more than one investment company with each contribution. Currently, the employee can choose only one company at a time.
4. **IU Retirement Plan.** Employees will be able to split the contributions IU makes to two companies: Fidelity and/or TIAA-CREF. Currently, employees can choose only one investment company at a time.
5. **Dental Plan.** Employees can select the IU dental plan without enrolling in a medical plan.

6. **Tax Saver Benefit (TSB) continued contributions while on leave without pay.** If an employee does not pay TSB contributions during a leave without pay, participation in TSB will be suspended. Therefore, charges for services the employee receives during the leave will not be eligible for reimbursement.
7. **Benefit deductions.** The timing of the collection of payroll deductions for benefits will change with HRMS. In the cases cited below, the deduction for a benefit will no longer be for the *current* period, but for the *prior* one. In order to avoid double deductions during HRMS conversion, paychecks received in December and January may not show the usual deductions. Beginning with the paycheck received in February, the new timing of deductions will be in place.

Changes Affecting Academic and Exempt (monthly paid) Staff

- a. **Supplemental Life and Long Term Disability.** The December paycheck will deduct the premium for December; the January paycheck will *not* deduct a premium; the February paycheck will deduct a premium for January, and so forth.

Changes Affecting “Ten-pay” Academic employees

- a. **Medical, Dental, and other group insurance.** “Ten-pay” Academic employees who receive pay during June and July will have premiums deducted during these months. If no pay is received during these months, the August paycheck will deduct the premium for June and July as currently occurs.
- b. **Tax Saver Benefit (TSB) Plan.** “Ten-pay” Academic employees will have one-twelfth (1/12) of their annual pledge deducted beginning with their first five paychecks: January through May. If pay is received during summer sessions, deductions will be taken; if there is no pay received, the deductions will resume August through December at a higher level in order to keep the annual pledge amount intact.

Changes Affecting Nonexempt (biweekly paid) Staff

- a. **Medical and Dental.** The December 20 paycheck will *not* deduct a premium; the January 3 paycheck will deduct a premium for the second half of December; and the second January paycheck will begin the 2003 rate deduction.
- b. **Supplemental Life and Long Term Disability.** The December 6 paycheck will deduct the premium for December; the January 3 paycheck will *not* deduct a premium; the first February paycheck will deduct a premium for January, and so forth.
- c. **Tax Saver Benefit (TSB) Plan.** The annual pledge will be deducted in equal payments from all 26 paychecks instead of 24 as currently occurs.
- d. **Personal Accident Insurance.** The deduction will be taken from the *first* paycheck of the month instead of the second, and it will pay for the entire prior month. The December 20 paycheck will deduct the premium for December; the January 3 paycheck will *not* deduct a premium for December; the first February paycheck will deduct a premium for January, and so forth.