Faculty Ten over Twelve Month Payment Option – Status of Work Planned and Completed as of October 2015

A cross-functional team of functional and technical subject-matter experts has completed an initial review of the impact and scope of implementing an option to distribute 10 month faculty pay over 12 months (referred to as the “10 over 12” payment option).

Adopting 10 over 12 month payment functionality would be a complex undertaking that would require coordination between University Information Technology Services, University Human Resources, Financial Management Services, the University Budget Office, the Office of Research Administration, and the Office of the Vice Provost for Faculty and Academic Affairs. These areas have completed an initial assessment to determine the functional and technical requirements, to identify system development and customizations needed, to assess initial build-out costs, and to assess associated risks and limitations. Potential tax issues resulting from deferring compensation and compliance issues regarding payments made on contract and grant accounts must also be taken into consideration.

In conjunction with this review, and to provide a system enhancement within a shorter time-frame, Financial Management Services, working in conjunction with University Information Technology Services and Oracle/PeopleSoft, is developing a self-service tool designed to facilitate saving for the two summer months (June and July) in which 10 month faculty are not paid.

The self-service tool will leverage new PeopleSoft functionality - paycheck modeling. Paycheck modeling is an interactive online application that will allow faculty to run “what if” scenarios on their actual paychecks, using actual pay information from the payroll system. This application will show the impact of changing earnings, deductions, and/or tax withholding status on net pay. The Paycheck Modeler will enable faculty to create hypothetical paychecks as if their salary were paid out over 12 months instead of 10.

By comparing the actual net pay over 10 months to the hypothetical net pay over 12 months, the Paycheck Modeler will calculate how much money faculty would need to save out of future paychecks to simulate receiving a paycheck in June and July. The Paycheck Modeler will also include a link to the self-service direct deposit tool, so that faculty may elect to deposit a portion of their net pay into a designated savings account to cover June and July expenses. The estimated timeline for delivery of Phase I of this functionality is the end of the first quarter of calendar year 2016.