



Workday Payroll Changes to Know

The information below outlines important changes between our current payroll system & Workday. There are many tax table changes that take in January of 2023 so even if the changes below do not apply to you it's possible you will see small variances in your check between ADP & Workday. Paychecks delivered on January 13th, 2023, will be the first checks that are calculated using Workday. If you have questions about your check, please contact the Payroll Team by emailing HR@liberty.edu or calling at 434-592-7330.

Allowance Changes

Historically most allowances in ADP have been paid quarterly. In Workday all allowances will be paid semi-monthly. This means that in Workday your allowance may appear smaller but the value of 6 pay periods will be the same as the current quarterly amount.

Tax Changes

There are changes to how allowances & other earnings will be taxed in Workday. There are certain types of earnings that the IRS classifies as "supplemental" and therefore are taxed at the supplemental tax rate. In our current payroll system many of these earnings are taxed regularly and not at the supplemental tax rate of 22.5%. In Workday the payments for the following earnings will be calculated at a supplemental tax rate:

- Cell Phone Allowances
- Car Allowances
- Bonus Payments
- 29 – Professional Fees (*these are often used for payments for additional work completed outside your normal job*)

Benefitted employees enrolled in the university's Life & Disability insurance plan may also notice something you're not familiar with: Group Term Life (GTL). The IRS requires that employers who offer a Group Term Life insurance plan to record any life insurance offered over \$50,000 as income based on a standard calculation they use. This is recorded on your paycheck and W2 as income and contributes toward your total taxable wages. Not all GTL may have been recorded accurately in our previous payroll system, so you may notice differences in your check based on our updated GTL calculations in Workday.



Calculating Overtime (OT)

Most hourly employees will see no change in how their overtime is calculated. For non-exempt hourly employees who regularly work in multiple roles at the university and may receive different rates of pay for additional work they do outside their normal job they may notice changes in the OT calculations on their paychecks.

Workday will calculate overtime using an “FLSA” rate. The FLSA rate is calculated by dividing the total pay for employment in any workweek by the total number of hours worked to determine the FLSA rate. Below is a scenario to help explain how OT is calculated in Workday.

<u>Job</u>	<u>Hours</u>	<u>Rate of Pay (Before OT)</u>	<u>Total Pay (Before OT)</u>
Primary Job	40	\$17.00	\$680.00
Additional Job	8	\$25.00	\$200
<u>TOTAL</u>	48		<u>\$880.00</u>

FLSA Rate = \$880.00/48 hours = **\$18.33**

OT Premium = **\$18.33 * .50 = \$9.17**

OT Rate = Standard Rate of Pay + OT Premium

<u>Job</u>	<u>Hours</u>	<u>Rate of Pay (With OT)</u>	<u>Total Pay (with OT)</u>
Primary Job	40	\$17.00	\$680.00
Additional Job	8	\$34.17	\$273.36
<u>TOTAL</u>	48		<u>\$953.36</u>

Changes for Adjunct Faculty (including Staff who fill an adjunct role)

Currently Adjunct Faculty receive a separate paycheck for each course they teach. Therefore, if an adjunct faculty teaches 3 D-Term courses they receive 3 checks with the respective amounts for each course. In Workday, adjuncts will receive one check with the full amount on that check. The Workday pay slip will contain information detailing all courses taught and respective amounts for each course in Workday. This will allow adjuncts to better understand why they’re receiving a certain amount of pay (see example below).



Earnings 2 items

Description	Dates
Adjunct Pay (June 2022, Placeholder, APOL-620)	07/01/2022 - 07/15/2022

Additionally in Workday Adjunct Pay wages are considered 403b wages. This means that any retirement elections an employee has will also apply toward your adjunct wages. If an employee has a 5% retirement election and they receive \$5,000 of adjunct pay then \$250 will be deducted for a 403b contribution. **This applies to both Adjunct only employees and employees who work Full time in addition to their adjunct work.** Although adjunct pay contributes towards 403b earnings it's not considered matchable income so Liberty's match will not apply to these wages.