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## Bi-Weekly Conversion Information

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The State of Alaska is undergoing a change to the way in which it processes employee payroll. The information presented here is subject to change and revisal as the transition processes. This document is provided for informational purposes only. It is not intended to be controlling or binding in any way. For members of a collective bargaining unit, your collective bargaining agreement provides your rights and conditions of employment and are not amended by this document.

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## General Information

### *What is happening?*

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The State of Alaska is converting from a semi-monthly (twice a month) payroll cycle to bi-weekly (every two weeks) payroll cycle.

### *What does this mean?*

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Instead of paydays being scheduled for the 15<sup>th</sup> and last day of every month, they will be on Fridays, every two weeks.

### *Who will be affected?*

Phase 1 went into effect December 16, 2019 and consisted of Judicial (XJ) and Legislative branch (XL) employees as well as employees in the Teachers of Mt. Edgecumbe (TM) bargaining unit and PSEA (AA) bargaining unit employees in the Department of Public Safety.

Phase 2 will go into effect June 1, 2020. Contact your union if you have questions about whether phase 2 applies to you.

### *When will this take place?*

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Phase 1 went into effect December 16, 2019.

- The December 1 – December 15, 2019 pay period was the last semi-monthly pay period and was paid December 31, 2019.
- The first bi-weekly pay period was from December 16 – December 29, 2019 and was paid January 10, 2020.

Phase 2 will go into effect June 1, 2020.

- The May 16 – May 31, 2020 pay period is the last semi-monthly pay period and will be paid June 15, 2020.
- The first bi-weekly pay period will be from June 1 – June 14, 2020 and will be paid June 26, 2020.

### *Why are we doing this?*

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- Consistency of knowing your pay day.
- Increased efficiency and streamlining of services.
- Simpler timekeeping/reporting, which will result in less pay errors.

### *How will I know how much to expect on each pay day?*

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The [Wages Information](#) section of this document contains detailed information about pay and a calculator is available for you to enter your current salary to see how much it converts to in a bi-weekly pay period.

### *What can I do to prepare?*

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Review your monthly expenses and determine if you should arrange to change the timing of your payments to coincide with pay days, since the frequency and amount of your paychecks will change in 2020. This will help you plan for any impact this transition may have on your expenses.

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Revised 05/07/2020

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### *When will more information be available?*

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More information will be sent via e-mail to all State of Alaska employees as it becomes available. FAQs will continue to be updated to include new questions and more in-depth answers, with extensive explanations. Your questions and concerns are appreciated and will be answered as thoroughly as possible. Additional guidance will be provided to those whose processes are affected by this conversion as well.

### *Where can I view my payroll information online, and will it show me if I'm paid as an hourly or salaried employee?*

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The link for Employee Self Service (ESS) is: <https://iris-ess.alaska.gov/>. Once logged in, select the My Info tab. This tab will show you such things as the range of your position, your current step, if you are paid a salary or hourly pay rate, and if your position is overtime eligible.

**Grade : 205 RANGE 16 Step : 205 RG 16 / F Pay Class : SEMI 40 SLRY Sub-Title : KK OT ELIG**

There is an ESS Reference Guide available on the IRIS Portal Reference and Resource ESS page at: [http://doa.alaska.gov/dof/iris/refer\\_ess.html](http://doa.alaska.gov/dof/iris/refer_ess.html).

Scroll down to **Job-Aids and References** and click on the **Reference Guide** link, which will open a new tab containing the Reference Guide.

### *How will the switch from semi-monthly payroll to biweekly payroll affect my retirement?*

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There will be no affect to retirement contributions for the majority of employees. However, if you are planning to retire soon, please schedule an appointment with a counselor to discuss your individual options.

**To schedule an appointment, go to:**

<http://doa.alaska.gov/drb/reps/makeAppointment.html>

**Are you considering leaving state employment?** Visit the Division of Retirement and Benefit's informational webpage on what to consider when leaving state employment:

<http://doa.alaska.gov/drb/pers/employee/lifeChanges/leavingStateEmployment.html>

### **Division of Retirement and Benefits Member Services Contact Center**

[doa.drb.mscc@alaska.gov](mailto:doa.drb.mscc@alaska.gov)

Phone Hours of Operation:

Monday through Thursday, 8:30 a.m. to 4 p.m. (Alaska Time)

Friday, 8:30 a.m. to 3 p.m. (Alaska Time)

(800) 821-2251 (toll-free)

(907) 465-4460 (in Juneau)

## Wages Information

### *I'm a salaried employee who is overtime eligible. Will my pay rate change and if so, how?*

Yes. When your employee group is moved to bi-weekly payroll, you will be converted to an hourly rate of pay and remain eligible for overtime. For most employees this will mean receiving base wages that remain consistent from pay period to pay period, typically 75 hours or 80 hours of pay (10 workdays).

Your bi-weekly hourly rate will be the same as your current semi-monthly annualized hourly rate which is calculated as follows:

$$(\text{Semi-Monthly Pay Period Salary} \times 24) \div (52 \times \text{Full Time Hours Per Week}) = \text{Annualized Hourly Rate}$$

Ex.

$$(\$1,636.00 \times 24) \div (52 \times 37.5) = \$20.14 \text{ per hour}$$

### *I'm a salaried employee who is overtime ineligible. Will my pay rate change and if so, how?*

Yes. When your employee group is moved to bi-weekly payroll, you will continue to be paid a set salary per pay period and will remain ineligible for overtime, however your pay period salary will be converted to a bi-weekly amount.

Your bi-weekly salary will be calculated as follows:

$$(\text{Semi-Monthly Pay Period Salary} \times 24) \div (52 \times \text{Full Time Hours Per Week}) = \text{Annualized Hourly Rate}$$

$$\text{Annualized Hourly Rate} \times \text{Standard Pay Period Hours} = \text{Pay Period Salary}$$

Ex.

$$(\$1,636.00 \times 24) \div (52 \times 37.5) = \$20.14 \text{ per hour}$$

$$\$20.14 \times 75 = \$1,510.50 \text{ per pay period (26 pay periods per year)}$$

### *I used the BIWK Salary Conversion Calculator and my pay has changed. Why?*

An employee's hourly rate will not change with the conversion from semi-monthly to bi-weekly pay, but the pay period end dates and the frequency of paydays are changing. Biweekly will offer the consistency of being paid every two weeks (every other Friday), whereas semi-monthly varies depending on when the fifteenth and the end of the month land. Yes, the paycheck amounts will be smaller, but they will be paid out more frequently. The following is an illustration to show the differences between the pay for semi-monthly and bi-weekly:

Semi-Monthly Pay Period Dates	Semi-Monthly Payday	Semi-Monthly Pay Rate	Semi-Monthly Year-to-Date Total	Bi-Weekly Pay Period Dates	Bi-Weekly Payday	Bi-Weekly Pay Rate	Bi-Weekly Year-to-Date Total
12/16-12/31/2019	1/15/2020	\$ 1,636.00	\$ 1,636.00	12/16/2019-12/29/2019	1/10/2020	\$ 1,510.50	\$ 1,510.50
1/1-1/15/2020	1/31/2020	\$ 1,636.00	\$ 3,272.00	12/30/2019-1/12/2020	1/24/2020	\$ 1,510.50	\$ 3,021.00
1/16-1/31/2020	2/15/2020	\$ 1,636.00	\$ 4,908.00	1/13-1/26/2020	2/7/2020	\$ 1,510.50	\$ 4,531.50
2/1-2/15/2020	2/29/2020	\$ 1,636.00	\$ 6,544.00	1/27-2/9/2020	2/21/2020	\$ 1,510.50	\$ 6,042.00

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Revised 05/07/2020

Semi-Monthly Pay Period Dates	Semi-Monthly Payday	Semi-Monthly Pay Rate	Semi-Monthly Year-to-Date Total	Bi-Weekly Pay Period Dates	Bi-Weekly Payday	Bi-Weekly Pay Rate	Bi-Weekly Year-to-Date Total
2/16-2/29/2020	3/15/2020	\$ 1,636.00	\$ 8,180.00	2/10-2/23/2020	3/6/2020	\$ 1,510.50	\$ 7,552.50
3/1-3/15/2020	3/31/2020	\$ 1,636.00	\$ 9,816.00	2/24-3/8/2020	3/20/2020	\$ 1,510.50	\$ 9,063.00
3/16-3/31/2020	4/15/2020	\$ 1,636.00	\$ 11,452.00	3/9-3/22/2020	4/3/2020	\$ 1,510.50	\$ 10,573.50
4/1-4/15/2020	4/30/2020	\$ 1,636.00	\$ 13,088.00	3/23-4/5/2020	4/17/2020	\$ 1,510.50	\$ 12,084.00
4/16-4/30/2020	5/15/2020	\$ 1,636.00	\$ 14,724.00	4/6-4/19/2020	5/1/2020	\$ 1,510.50	\$ 13,594.50
5/1-5/15/2020	5/31/2020	\$ 1,636.00	\$ 16,360.00	4/20-5/3/2020	5/15/2020	\$ 1,510.50	\$ 15,105.00
5/16-5/31/2020	6/15/2020	\$ 1,636.00	\$ 17,996.00	5/4-5/17/2020	5/29/2020	\$ 1,510.50	\$ 16,615.50
				5/18-5/31/2020	6/12/2020	\$ 1,510.50	\$ 18,126.00

Please see the bi-weekly calculator to calculate your pay. Note that due to rounding, bi-weekly wages paid in the year will be slightly different from the semi-monthly wages.

### *I'm an hourly employee. Will my pay rate change and if so, how?*

Hourly employees will see no change in their rate of pay as a result of implementing bi-weekly payroll.

#### ***Affected hourly Employee Groups:***

- Part-Time Employees in ALL affected groups.
- Employees currently on a Reduced Workweek Agreement (RWW)
- Employees in the Labor Trades and Crafts (LTC – Local 71) bargaining unit.

### *How will this affect the number of hours in a pay period?*

Semi-monthly pay periods vary in length and can be as short as 13 calendar days or as long as 16. Bi-weekly pay periods always have 14 calendar days and 10 working days for a standard Monday-Friday workweek.

### *I receive a monthly allowance for an employee-owned electronic communication device (phone/smartphone/tablet). Will this be affected and if so, how?*

No. Electronic Device Allowances will still be paid on a monthly basis with the 2<sup>nd</sup> paycheck of each month, 12 total times per year. Months with three paydays will still receive only the one payment.

### *I receive a tool allowance each paycheck. Will this be affected and if so, how?*

No. Tool allowances will still be paid a number of times per month as specified in your collective bargaining agreement, either once or twice monthly in the 1<sup>st</sup> and/or 2<sup>nd</sup> paycheck of each month as applicable. Months with three paydays will not include tool allowances in the 3<sup>rd</sup> paycheck of the month.

### *I receive a uniform allowance each pay period. Will this be affected and if so, how?*

No. Uniform allowances will still be paid on a monthly basis with the 2<sup>nd</sup> paycheck of each month, 12 total times per year. Months with three paydays will still receive only the one payment.

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Revised 05/07/2020

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*Is there a way to estimate what my new salary will be?*

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Yes. Most employees will be able to find their new rate of pay on the bi-weekly salary schedules when those are made available (coming soon). Employees can also use the [BIWK Salary Conversion Calculator](#) to get an estimate of their new gross pay, which will be necessary for employees whose pay rates can't be found on a salary schedule.

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*When will I receive my first bi-weekly paycheck, and how often will I be paid afterwards?*

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The first bi-weekly payday for Phase 1 occurred Friday, January 10, 2020. The first bi-weekly payday for Phase 2 will occur Friday, June 26, 2020. Future bi-weekly pay days are every other Friday and can be found on the State calendar webpage:

<http://doa.alaska.gov/calendar/>

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*If I have an approved alternate workweek agreement will bi-weekly payroll impact me in any additional ways?*

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For overtime ineligible employees who will continue to be paid a set salary each pay period there will be no additional impacts.

For most overtime eligible employees who are or will become hourly there will be little to no impact as most alternate workweeks will still result in a consistent number of hours each pay period. However, it is important to note that if your work schedule changes, this could potentially result in some pay periods having more hours worked than others, with some paychecks being larger than others and some being smaller. Specific questions or concerns about your schedule should be discussed with your supervisor.

## Payroll Deduction Information

*In general, payroll deduction frequency will not change with the implementation of bi-weekly payroll. Deductions that are currently scheduled to take in the first and/or second paycheck will not be taken in the third paycheck of the month.*

### *Will this affect my direct deposits?*

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Possibly. If you have elected to have a flat amount deposited into one account and receive the rest of your pay as either a direct deposit to another account or as a physical warrant, then you may see a change.

Currently, flat amounts can be collected from the 1<sup>st</sup> pay period each month (12 times per year), the 2<sup>nd</sup> pay period each month (12 times per year), or all pay periods (24 times per year). Employees who have selected to have a flat amount deposited from every pay period will now have two additional deposits per year with bi-weekly payroll and should review the amounts and frequencies of their direct deposit to decide if a change should be made.

### **Please be aware the direct deposit forms and options have changed.**

If you were previously paid semi-monthly and selected the additional flat amount direct deposit option “Twice per month” on a direct deposit form prior to January of 2020 you will automatically be converted to bi-weekly pay as having 26 flat amount direct deposits. If you wish to convert to only 24 flat rate deposits, 2 per month, please submit an updated direct deposit form:

<http://doa.alaska.gov/dof/forms/resource/deposit.pdf>

If you have the entire (net) amount of your check deposited into a single account, then you will not be affected.

### *Will this affect my federal tax withholdings?*

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Possibly. Employees who have elected to have an additional flat amount of federal taxes withheld from each paycheck will change from having this amount withheld 24 times per year to having it withheld 26 times and will want to review their W-4 elections to determine if the amount should be changed.

Employees can view W-4 elections on the “Tax Withholdings/Allowances” tab in [IRIS Employee Self Service](#).

Employees without an additional flat amount should see no significant change to their withholdings, but it is advised that employees review their W-4 elections yearly to determine if any adjustments should be made to their withholdings for new tax years.

### *Will my payroll deductions for health insurance premiums and other health benefits (vision, dental, etc.) be affected?*

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No. Healthcare benefit deductions will still be collected from paychecks twice per month, with 24 total deductions per year. In months with three paydays, no healthcare benefit deductions will be collected from your 3<sup>rd</sup> paycheck of the month.

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*Will this affect my PERS, TRS, Medicare, or SBS (supplemental annuity) deductions?*

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No. These deductions are calculated as a percentage (%) of your eligible income and will be taken each pay period.

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*Will this affect my deferred compensation deductions?*

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No. Deferred compensation plan deductions will still be collected from paychecks twice per month, with 24 total deductions per year. In months with three paydays, deferred compensation will not be deducted from your 3<sup>rd</sup> paycheck of the month.

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*Will my payroll deductions for union dues be affected?*

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Possibly. If you are a dues-paying member of a union and have questions about the amount or frequency of your dues it is advised that you [contact your union directly](#) for more information.

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*I live in housing provided by the State and pay rent with a payroll deduction, will this be affected?*

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No. Housing rent deductions will still be collected from paychecks twice per month, with 24 total deductions per year. In months with three paydays, housing rent will not be deducted from the 3<sup>rd</sup> paycheck of the month.

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*I donate to the SHARE campaign each pay period through a payroll deduction, will this be affected?*

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No. SHARE campaign donation deductions will still be collected from paychecks twice per month, with 24 total deductions per year. In months with three paydays, SHARE campaign donations will not be deducted from the 3<sup>rd</sup> paycheck of the month.

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*I have a payroll deduction due to a court order, federal tax levy, child support order, or student loan garnishment, will this be affected?*

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Possibly. Additional information will be provided once available.

## Leave Information

### *How many times will I accrue leave each year?*

Leave eligible employees will now accrue 26 times per year; once for each bi-weekly pay period.

### *Will my leave accrual amount change each pay period?*

Yes. The overall amount earned each pay period will change now that it is earned across 26 pay periods instead of 24.

### *How much will my new accrual be per pay period?*

Below is a table of new leave accrual rates for all Judicial (XJ) and Legislative branch (XL) as well as all Exempt/Partially-Exempt Executive Branch employees (EX/PX), and those bargaining units that have accruals matching the standard leave accrual rates. For employees in bargaining units using rates that differ than those below, please consult your collective bargaining agreement or signed Letter of Agreement for updated rates.

Semi-Monthly Rate	→	Bi-Weekly Rate
4:41	→	4:20
5:00	→	4:37
6:34	→	6:04
7:00	→	6:28
7:30	→	6:55
8:00	→	7:23
8:26	→	7:47
8:45	→	8:05
9:00	→	8:19

Semi-Monthly Rate	→	Bi-Weekly Rate
9:23	→	8:39
10:00	→	9:14
10:30	→	9:41
11:15	→	10:23
12:00	→	11:05
12:15	→	11:19
13:08	→	12:07
14:00	→	12:55

### *Will bi-weekly payroll change how I take leave?*

No. Leave will continue to be approved and used in the same manner as before. The amount of leave used for a full day's absence will not change.

### *Will this change the value of leave cash-ins?*

No. If you were previously a salaried employee your leave was cashed out at your Annualized Hourly Rate (see Bi-Weekly Conversion – Wage Information) and if you were an hourly employee your leave was cashed out at your hourly rate. In either case, those rates are not changing with bi-weekly payroll.

### *Will this affect my compensatory time leave accruals?*

No. Compensatory time is accrued based on overtime that would be earned in any given work week and is available for use in the pay period following the one in which it is earned. This process will not change.

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*Will this affect my flex time leave accruals?*

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No. Flex time will still be accrued based on the hours worked in any given work week, per the terms of your agreement. Tracking of flex time accruals should now be easier as most work weeks will no longer cross pay periods.

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*How can I calculate leave accruals on my own?*

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One method to estimate total accruals across 26 pay periods is to separately add up the hours and minutes, and then combine the totals:

1. Multiply the hours (without minutes) by the amount of pay periods you want to calculate. Save this number.
2. Multiply the minutes by the amount of pay periods you want to calculate.
3. For every increment of 60 minutes add one hour, and the remainder is the total minutes.

Example, based on the bi-weekly 11:19 (12:15 semi-monthly) accrual rate, for 26 pay periods:

- a.  $11 \times 26 = 286$  (hours).
- b.  $19 \times 26 = 494$  (minutes).
- c.  $494 - 60 - 60 - 60 - 60 - 60 - 60 - 60 - 60 = 14$  (remaining minutes)
- d.  $286 + 8 = 294$  hours and 14 minutes.

Another way is to convert the hours and minutes into decimals:

1. Multiply the hours (without minutes) times 60.
2. Add the minutes to the total.
3. Divide by 60 for the decimal equivalent.

Example below, also based on the bi-weekly 11:19 (12:15 semi-monthly) accrual rate:

- a.  $11 \times 60 = 660$ .
- b.  $+ 19 = 679$ .
- c.  $\div 60 = 11.32$ .

Note: Calculate out to the fourth decimal (11.3167, not 11.32) and round to the nearest minute.

## Contact Information

Employees who have additional questions after reviewing this document may contact:

Agency	Contact
Office of the Governor	Danielle Grunow <a href="mailto:Danielle.grunow@alaska.gov">Danielle.grunow@alaska.gov</a> (907)465-3897
Department of – <ul style="list-style-type: none"> <li>• Administration</li> <li>• Law</li> <li>• Revenue</li> <li>• Education and Early Development</li> <li>• Health and Social Services</li> <li>• Labor and Workforce Development</li> <li>• Commerce, Community, and Economic Development</li> <li>• Military and Veterans Affairs</li> <li>• Natural Resources</li> <li>• Fish and Game</li> <li>• Public Safety</li> <li>• Environmental Conservation</li> <li>• Corrections</li> <li>• Transportation and Public Facilities</li> </ul>	Employee Call Center <a href="mailto:employeecallcenter@alaska.gov">employeecallcenter@alaska.gov</a> (907) 465-3009
Legislative Branch	<a href="mailto:personnelgroup@akleg.gov">personnelgroup@akleg.gov</a> (907) 465-3854
Judicial Branch	<a href="mailto:HREveryone@akcourts.us">HREveryone@akcourts.us</a> (907) 264-8242