Employee Choice Information Session

Presented by the Office of Human Resources: Benefits Services, Compensation & Titling, Payroll Services, and Workforce Relations
Objectives

After completion of this session, participants will be able to:

- Understand the differences between Academic staff and University Staff benefits and policies and the effects of moving to academic staff

- Decide whether or not they want to follow up with their Division to potentially pursue moving to Academic staff
Agenda

- Employee Choice: What it Means
- Fair Labor Standards Act and Proposed Changes
- How Do I Determine if I Should Move?
  - Compensation & Titling
  - Workforce Relations
  - Benefit Services
  - Payroll Services
- Employee Scenarios
- Next Steps
- Q&A
The Fair Labor Standards Act (FLSA)

Definitions

- **Fair Labor Standards Act (FLSA):** The Fair Labor Standards Act of 1938 is the US Department of Labor (DOL) federal wage and hour law. It encompasses various protections for employees, including regulations governing the workweek, minimum wage, overtime pay, and youth employment. Everyone is “covered” but some employees are **Exempt** and some are **Nonexempt**.
Definitions (cont.)

- **FLSA exempt**: An FLSA exempt position is not subject to the overtime protections outlined in the FLSA.

- **FLSA non-exempt**: An FLSA non-exempt position is subject to the protections outlined in the FLSA that ensure one receives overtime pay.
**FLSA Rules Guiding Whether a Position is Exempt or Non-Exempt**

<table>
<thead>
<tr>
<th>Non-exempt</th>
<th>Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly positions</td>
<td>Salaried positions</td>
</tr>
<tr>
<td>Overtime pay or compensatory time for more than 40 hrs./week</td>
<td>Normally, no additional compensation for overtime work</td>
</tr>
</tbody>
</table>
Current FLSA Tests

Exemption is based on qualifying for all three of the tests:

- **Salary Basis Test.** Employees must be paid on an annual salary basis; and

- **Minimum Salary Test.** Employees must be paid above a salary threshold amount of $455 per week or $23,660 annually, and

- **Duty and Discretion Tests.** Employees must qualify as an executive, administrative, professional or computer professional.
  - Regardless of salary, teachers, doctors and lawyers are always exempt
The US DOL has proposed to raise the **minimum salary** threshold to qualify for exemption to the 40th percentile of weekly earnings for full-time salaried workers.

- **$970 weekly** or **$50,440 annually.**

- Effective date of the changes is unknown, but they may be effective as early as the fall of 2016.

- The DOL proposal would annually increase the salary threshold based on a standard formula.
Who is Affected?

- If an employee’s rate of pay is below the new minimum salary level, that employee must be nonexempt unless he or she qualifies for an exception.

- Some exempt university staff and non-instructional academic staff may become nonexempt.

- Nonexempt academic staff will become hourly academic staff.

- Faculty and instructional academic staff whose primary duties are teaching are exempt regardless of salary. Teachers, lawyers, and doctors qualify for this professional exemption.
FLSA Changes and Employee Choice

• The proposed DOL changes to the FLSA do not affect Employee Choice. University staff exempt employees still have the option to become academic staff.

• Once the DOL changes are implemented, employees that have chosen to become academic staff and earn less than the minimum salary threshold will become hourly academic staff.
HOW DO I DECIDE IF I SHOULD BECOME ACADEMIC STAFF?
Your Choice

- Compensation & Titling
- Workforce Relations
- Payroll Services
- Benefit Services
Compensation & Titling
• Your Divisional HR Office will identify the appropriate Academic Staff or Limited job title
• A Suggested Mapping of Exempt Titles to Academic Staff/Limited Titles can be found at
**Academic Staff Titles**

- Academic Staff titles fall into two categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Types of Jobs</th>
<th>Range Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>Administrative and professional positions</td>
<td>Salary ranges have a minimum and a maximum salary</td>
</tr>
<tr>
<td>Category B</td>
<td>Instructional and higher-level research positions</td>
<td>No salary ranges – only salary minima</td>
</tr>
</tbody>
</table>
• General rule for Category B
  – Division policies for placement/promotion within series

• General rule for Category A*
  – *Associate*: Less than two years of related experience
  – *No-Prefix*: Between 2 and 7 years of related experience
  – *Senior*: More than 7 years of related experience

*Distinguished—position cannot be moved into this level. Must go through the Distinguished Prefix Review Committee
Limited Titles

• Special appointments involved directly in formulating, interpreting, and monitoring policies and/or major programs
• Serve at the pleasure of the appointing authority
• If current UW-Madison employee, employee receives an academic staff renewable back up appointment
Degree Requirements

- Prior to July 1, 2015, all academic staff and limited positions required at least a Bachelor’s degree.
- Post July 1, 2015, guideline for degree requirement for vacant positions is based on whether the position was formerly filled in the classified civil service.
- All US exempt employees are eligible for movement via Employee Choice to academic staff.
Compensation

• Current hourly rate is converted to an annual basis using standard formula
• If converted annual basis is lower than the new academic staff range, must raise to new minimum
• Divisions may review for salaries for market, equity or performance
Compensation

- Opportunity for salary increases are the same for University Staff and Academic Staff
  - Change in duties (temporary or permanent)
  - Promotion through the title series
  - Equity
  - Market
  - Performance
Workforce Relations
Job Security

• Academic staff appointments are either renewable or fixed-term position. When in a renewable position, the position renews every year on July 1st.

• Academic staff may be given additional job security in the form of a rolling-horizon. A rolling-horizon appointment extends daily for the term specified.
Layoff and Non-renewal

• Layoff of academic staff employees occur due to loss of funding, budget, or program decision. Layoffs are conducted by operational area, primarily by years of academic staff service at UW-Madison. Employees receive between 1 and 24 months notice, depending on layoff reason, appointment type and years of service.

• Non-renewal may occur at the end of an appointment because of funding loss, a budget or program decision or unsatisfactory performance. Non-renewal notice periods range from 3 to 12 months depending on years of service.
• Academic staff employees serve an evaluation period between 6 and 12 months in length upon their initial academic staff appointment within an operational area. Employees may be dismissed during this time without right to appeal.

• Employee electing to move through employee choice will not be required to serve a probationary period upon movement to an academic staff appointment.
No differences
• Academic staff employees have the ability to file grievances with the assistance of a representative of their choice.

• The final step of the appeal process is before the Academic Staff Appeal Committee (ASAC) which conducts a review or hearing. The appeals committee issues a recommendation to the Provost.
### Vacation

<table>
<thead>
<tr>
<th>Earned Vacation (per year)</th>
<th>University Staff</th>
<th>Academic Staff</th>
</tr>
</thead>
</table>
| Earned vacation based on calendar year (Jan. 1- Dec 31) | 0 to 5 Years – 120 hours  
5+ to 10 Years – 160 hours  
10+ to 15 Years – 176 hours  
15+ to 20 Years – 200 hours  
20+Years – 216 hours | Earned vacation based on fiscal year (July 1-June 30) | 176 hours |

*Note: University Staff and Academic Staff earn vacation based on different time periods.*
• If vacation is not used within the **fiscal year** it is earned, any remaining vacation may be carried over until the end of the following fiscal year. Carried-over vacation remaining at the end of the following fiscal year (June 30) will be lost.
### Vacation Carryover

<table>
<thead>
<tr>
<th>Vacation Carryover</th>
<th>If an employee moves from University Staff appointment to Academic Staff appointment:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Any vacation earned during that calendar year in the US Appointment will be transferred to the current fiscal year’s vacation allocation and the employee will be granted a prorated amount of vacation in the new appointment.</td>
</tr>
<tr>
<td></td>
<td>• The amount of vacation transferred from the University Staff appointment plus the new vacation allocation cannot exceed 176 hours. If the amount is greater than 176 hours, any remaining vacation hours will be moved to vacation carryover and must be used by the end of the fiscal year (June 30) in which the leave transferred to the new appointment, or the hours will be lost.</td>
</tr>
<tr>
<td></td>
<td>• The number of hours in vacation carryover may not exceed 176. If the vacation hours that must be moved to vacation carryover are greater than 176, any remaining vacation will be paid out to the employee at the wage rate of the University Staff appointment.</td>
</tr>
</tbody>
</table>
Vacation Banking and Cash-out

- Eligible to begin banking hours into Annual Leave Reserve Account (ALRA) starting with the 11th year of employment.

  0 to 10 years – 0 hours  
  11+ to 25 years- 40 hours  
  26+ years- 80 hours

- Eligible employees are given the option to bank vacation hours in July and must make a decision to bank vacation by early August.

- No vacation cash-out provisions for academic staff members.
Compensatory Time

• No compensatory time for academic staff members.
## Legal and Personal Holidays

<table>
<thead>
<tr>
<th></th>
<th>University Staff</th>
<th>Academic Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal Holidays</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observed</td>
<td>No Change</td>
<td>No Change</td>
</tr>
<tr>
<td><strong>Personal Holidays</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Granted 36 hours (4.5 days) per year on January 1st</td>
<td>Granted 36 hours (4.5 days) per year on July 1st</td>
<td></td>
</tr>
</tbody>
</table>

- If effective date for reassignment to AS/LI is within January 2-June 30, you will not be granted a new personal holiday allocation and any unused personal holiday will move to your AS/LI position and will expire on June 30th following your date of reassignment.
- If effective date for reassignment to AS/LI is within July 1-January 1, you will be granted a NEW allocation of 36 PH hours and any unused PH hours from University staff position will be paid out.
## Sick Leave

<table>
<thead>
<tr>
<th></th>
<th><strong>University Staff</strong></th>
<th><strong>Academic Staff</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sick Leave</strong></td>
<td>Earn 5 hours per pay period totaling 130 hours (16.26 days) per calendar year</td>
<td>Granted 176 hours (22 days) of sick for the first 18 months of employment. After 18 months, earn 8 hours per pay period totaling 96 hours (12 days) per fiscal year.</td>
</tr>
<tr>
<td></td>
<td>Unused sick leave accumulates from year to year, without limit</td>
<td>Unused sick leave accumulates from year to year, without limit</td>
</tr>
</tbody>
</table>
Benefit Services
Benefit Enrollments

Unaffected by Change from University Staff (US) to Academic Staff (AS)

- State Group Health
- State Group Life Insurance
- EPIC Benefits +
- Dental WI
- VSP
- Individual Family Life Insurance
- Accidental Death & Dismemberment (AD&D) Life Insurance
- UW Employee Inc. Life Insurance
Income Continuation Insurance (ICI)

*If currently enrolled* in ICI

- University Staff plan ends
- Must complete/submit new ICI application no later than 30 days of change whether applying for or declining Academic Staff ICI plan.
- Premium rates based on monthly salary and choice of elimination period

<table>
<thead>
<tr>
<th>Monthly Salary</th>
<th>LESS Than 1 Year State Service</th>
<th>MORE Than 1 Year State Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PREMIUM CATEGORY - ELIMINATION PERIOD (in calendar days)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Up to 500.99</td>
<td>5.36</td>
<td>2.97</td>
</tr>
<tr>
<td>501.00-600.99</td>
<td>6.56</td>
<td>3.57</td>
</tr>
<tr>
<td>601.00-700.99</td>
<td>7.76</td>
<td>4.17</td>
</tr>
</tbody>
</table>
Benefit Enrollments

Income Continuation Insurance (ICI)

*If not currently enrolled* in ICI

- May have enrollment opportunity to apply for Academic Staff ICI plan
- Must complete/submit ICI application no later than 30 days of change whether electing or declining coverage.
- Premium rates based on monthly salary and [restricted] choice of elimination period.
  - less than 10 days of sick leave you may choose between elimination periods of 30, 90, 125 or 180 days;
  - between 10-64 days of sick leave you may choose between elimination periods of 90, 125 or 180 days;
  - between 65-129 days of sick leave you may only choose the 180 elimination period;
  - 130 days or more you are only eligible to apply for enrollment via Evidence of Insurability.
Health Saving Account (HSA)

- If enrolled in the HSA – Deductions will be adjusted to reflect the new number of pay periods. Employee can change can increase or decrease HSA elections any time.
  - [https://uwservice.wisconsin.edu/docs/forms/tasc-change-election-tr-park-hsa.pdf](https://uwservice.wisconsin.edu/docs/forms/tasc-change-election-tr-park-hsa.pdf)

Flexible Spending Accounts (FSA) & Limited Purpose Flexible Spending Accounts (LPFSA)

- If enrolled in FSA/LPFSA – per paycheck deduction $-amounts will increase to reflect the change from Biweekly (26) to Monthly (12) payroll.
Benefit Enrollments

Tax Sheltered Annuity (TSA) 403(b)
• If enrolled in TSA – must submit new SRA form to update per paycheck $-amount if desired.
• % of pay contributions unaffected.

WI Deferred Compensation (WDC) 457(b)
• If enrolled in WDC – must contact WDC to update per paycheck $-amount if desired.
• % of pay contributions unaffected.
New Benefit Enrollments

University Insurance Assoc. (UIA) Life Ins.

- Automatic/Mandatory coverage for all newly-eligible Academic Staff effective October 1st following voluntary reassignment date
- 2015-2016 Minimum salary required = $2,567/month
- Annual premium of $24 deducted from October earnings (pay date 11/01/xxxx)

Schedule of Benefits

<table>
<thead>
<tr>
<th>Age as of 10/1/XX</th>
<th>Amount of Death Benefit</th>
<th>Age as of 10/1/XX</th>
<th>Amount of Death Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 28</td>
<td>$101,000</td>
<td>49-51</td>
<td>22,600</td>
</tr>
<tr>
<td>28-30</td>
<td>98,100</td>
<td>52-54</td>
<td>17,200</td>
</tr>
<tr>
<td>31-33</td>
<td>90,900</td>
<td>55-57</td>
<td>13,100</td>
</tr>
<tr>
<td>34-36</td>
<td>78,900</td>
<td>58-60</td>
<td>10,300</td>
</tr>
<tr>
<td>37-39</td>
<td>65,000</td>
<td>61-63</td>
<td>8,200</td>
</tr>
<tr>
<td>40-42</td>
<td>50,900</td>
<td>64-66</td>
<td>6,100</td>
</tr>
<tr>
<td>43-45</td>
<td>39,100</td>
<td>67-69</td>
<td>4,500</td>
</tr>
<tr>
<td>46-48</td>
<td>30,000</td>
<td>70 +</td>
<td>3,400</td>
</tr>
</tbody>
</table>
Creditable Service is based on hours paid

**University Staff (General Category)**

- Calendar Year (January 1st – December 31st)
- 1 year of Creditable Service = minimum of 1,904 hours

**FA/AS/LI (Teacher Category)**

- Fiscal Year (July 1st – June 30th)
- 1 year of Creditable Service = minimum of 1,320 hours
  (FT, 100% FTE employees earn ~ 174 hours each mo.)
Three Highest Year Earnings

- FA/AS/LI – based on fiscal year earnings not calendar year.
- Earnings in period of overlap can only be counted in one reporting period (fiscal year or calendar year) when determining highest year of earnings.
  - Example – If change is made in 2016, the calendar year earnings for 2016 will not be used (see chart).

<table>
<thead>
<tr>
<th></th>
<th>1/1/14 – 12/31/14</th>
<th>1/1/15 – 12/31/15</th>
<th>1/1/2016-6/30/16</th>
<th>7/1/16 – 12/31/16</th>
<th>1/1/17 – 6/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$64,000</td>
<td>$64,000</td>
<td>$32,000</td>
<td>$32,000</td>
<td>$32,000</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>General Category</td>
<td>General Category</td>
<td>General Category</td>
<td>Teaching Category</td>
<td></td>
</tr>
<tr>
<td>Reporting period</td>
<td>CY 2014</td>
<td>CY 2015</td>
<td>FY 2016-2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest Year Earnings</td>
<td>$64,000</td>
<td>$64,000</td>
<td>$64,000</td>
<td>$64,000</td>
<td></td>
</tr>
</tbody>
</table>
Payroll Services
Earnings Statements and Payroll Changes
You should always review your earnings statement for each pay period, particularly if you made changes to your benefits, tax withholding, general deductions or you switch pay schedules.

**OHR Receipt Guidelines for W4/ACH Forms**

Monthly: 2nd Friday of the Month
(April 8th to take effect on your 4/29/16 monthly paycheck).

Biweekly: Last day of the pay period
(April 16th to take on your 4/28/16 biweekly paycheck).

You can request confirmation of receipt and effective date and ask any payroll questions by emailing payroll@ohr.wisc.edu.
Academic Staff are paid once monthly, usually on the first of the month.
You may wish to adjust your direct deposit distribution to help with budgeting.

Using the UW’s Direct Deposit, you have the option of up to three separate accounts at the same or different financial institutions. For example, you could direct 50% of each paycheck to a savings account or a secondary checking account.
To do so, you need to complete a new [Authorization for Direct Deposit of Payroll](https://uwservice.wisc.edu/docs/forms/pay-direct-deposit.pdf) and return it to UW-Madison Payroll Services by the 2nd Friday of the month. **Do not submit over email** since sensitive information is included.
Payroll

Tax Withholding

The payroll taxes will adjust to a monthly calculation automatically. If employees have additional withholding amounts elected the yearly amount will be reduced and the per check deduction will stay the same.

Employees can check their current withholding settings on their earnings statement:

<table>
<thead>
<tr>
<th>TAX DATA</th>
<th>Federal</th>
<th>WI State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>Married</td>
<td>Married</td>
</tr>
<tr>
<td>Allowances</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Addl. Pet.</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Addl. Amt.</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

New W4’s should be submitted to OHR by the Friday prior to the payroll calc.
IRS Withholding Calculator

This is a useful tool to check payroll tax withholding throughout the year. Employees may wish to use this calculator after their first monthly paycheck to determine if they want to adjust their tax withholding.

General Deductions

There are some general deductions that will be affected by this change. If you need to adjust your general deductions you will need your last biweekly paycheck date and your first monthly paycheck date.

Final biweekly paycheck: May 12, 2016 (4/17/16-4/30/16)
First Monthly Paycheck: Jun 1, 2016 (5/1/16-5/31/16)

Transportation – If you have parking deductions on payroll you will need to contact transportation services.
Email: customerservice@fpm.wisc.edu  Phone: (608) 263-6666

Partners In Giving – You will need to change your deduction amount in order to ensure you meet your pledged goal amount. You can email payroll@ohr.wisc.edu to increase your deduction to meet your current goal amount.
General Deductions cont.

**State Vanpool** - Deduction must be updated or account will be underpaid. Riders should contact your vanpool coordinator to get the Vanpool Payroll Deduction Authorization form completed and signed. Make sure you submit the canary copy to OHR by the 2nd Friday of the month.

**Recreational Sports** - should be unaffected, contact rec sports with questions.
email: memberships@recsports.wisc.edu
phone: (608) 262-4756
EMPLOYEE SCENARIOS
Late, Mid & Early Career Considerations

- Personal Career Path
- Payroll & Calendars
- Creditable Service
- How soon will I retire?
- Do I plan to retire from the University
- Sick Leave & ICI
- Vacation
Communications
Resource Documents for Employee Counseling

- Transfer via Employee Choice Form
- Employee Choice: A Side by Side Comparison
- Choice Movement Important Dates for Employees
Think You Want to Move May 1st?

• Contact your division soon to request they complete the Transfer via Employee Choice form for you

• Timeline
  – Decision must be made early April
  – Division will provide you with the deadline dates
  – Any delay in receiving/processing signed form will result in delay of movement to the following month
New email address: employeechoice@ohr.wisc.edu

• Divisions will use this to provide documents to OHR to process employee movement to academic staff
• Employee Questions (but you should contact your division HR contact first)
Questions?