Memo

Date: January 13, 2020

To: All business managers and payroll administrators

From: Shannon Wiggins, HRMS Analyst, Office of Human Resources

Re: Leap year - how to handle 27 biweekly payrolls in 2020

Employees paid biweekly are paid 26 times a year. There is an exception, however, every 11 or 12 years when there are 27 biweekly pay periods. What's up with this math? Well, nothing. The 27th pay period phenomenon is real.

How and when it happens. Technically, there are 26.07 biweekly pay periods in a nonleap year. These fractions of weeks accumulate and eventually create an extra payday. This will happen in 2020 for employees on the 'Master' biweekly payroll schedule shown below, when the 27th payday falls on Dec. 31, 2020. **Why:** Paydays occurring on holidays are pushed back a day. January 1, 2021, is a holiday, so it will be pushed back to December 31, 2020. **Twist:** Even if we didn't push the January 1 payday back into 2020, you'd still have 27 biweekly pay periods to manage, this time in 2021.

Who's impacted? Locations on a biweekly schedule which included a first check date of January 3, 2020. This includes full time, non contract school employees. Exempt employees (salary) at these locations: due to the 27th pay period phenomenon, because they are paid annual salaries based on a 26 check date cycle will be paid more than their typical annual salary. Nonexempt (hourly) paid staff are impacted only to the extent of withholding and deductions.
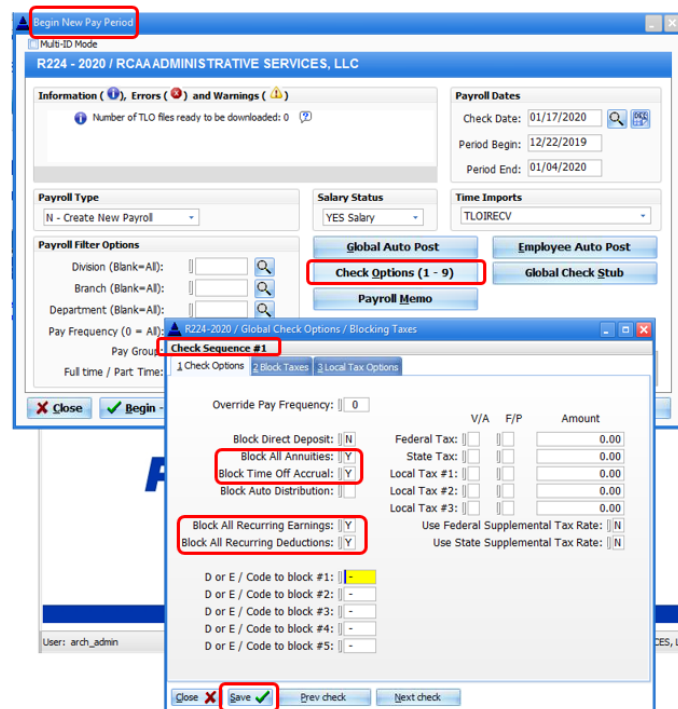
Payroll Setup. Regarding salaried staff - employees who are paid every payroll will receive an extra check in 2020. Regarding hourly paid staff – employees who work every week (or are paid holiday time for weeks the office is closed) will receive an extra check in 2020. This will be an additional expense for the parishes and schools as payroll will be a little bit more, along with extra taxes being withheld. Planning for budget purposes will need to be considered for the upcoming fiscal year. **Note:** If you have specific concerns about planning your upcoming budget, please contact Patrick Warner at pwarner@archatl.com.
Note for Schools: This will not impact contract school employees this year: Principals will have 27 check dates in school year 2022-23 and teachers will

have 27 check dates in school year 2030-31. **Twist:** Because pension contributions are based on earnings per fiscal year, locations won't have additional pension payments to budget for until the 2022-2023 fiscal year.

What the IRS says: The IRS doesn't vary the withholding tables to account for any extra pay period. Paychex does not change their tax withholding calculations in this scenario. Employees therefore could be under withheld slightly tax wise due to the additional check.

Digging deeper. Employees' recurring earning/deductions, sick and vacation time accrual, etc. will need to be blocked for the 27th check date. Locations following the 'master' bi-weekly schedule, will need to do the following as you begin the December 31, 2020 payroll:

- **How to block recurring earnings/deductions and time off accrual.**
  - In Preview, select "Begin Pay Period"
  - Select "Check Options (1-9)"
  - Go to the "Check Sequence" you are paying the employee (usually check seq. 1) and put a "Y" in the
    - Block All Recurring Earnings
    - Block All Recurring Deductions
    - Block All Annuities – this blocks pre-tax 403(b) and medical
    - Block Time Off Accrual
  - Click "Save"
- **One Time Block:**
  - Any edit done on check sequence 1 or 2 is a one time change and will not carry forward to future payrolls.

If you have any questions, please contact me at swiggins@archatl.com or 404-920-7492.

2020 PAYROLL SCHEDULE

Pay Period Number	Time Sheet Period				Pay Date
	First Day	to	Last Day		
First Check 2020	**12/8/2019**		**12/21/2019**		**January 3, 2020**
2	12/22/2019		1/4/2020		January 17, 2020
3	1/5/2020		1/18/2020		January 31, 2020
4	1/19/2020		2/1/2020		February 14, 2020
5	2/2/2020		2/15/2020		February 28, 2020
6	2/16/2020		2/29/2020		March 13, 2020
7	3/1/2020		3/14/2020		March 27, 2020
8	3/15/2020		3/28/2020		April 10, 2020
9	3/29/2020		4/11/2020		April 24, 2020
10	4/12/2020		4/25/2020		May 8, 2020
11	4/26/2020		5/9/2020		May 22, 2020
12	5/10/2020		5/23/2020		June 5, 2020
13	5/24/2020		6/6/2020		June 19, 2020
14	6/7/2020		6/20/2020		July 3, 2020
15	6/21/2020		7/4/2020		July 17, 2020
16	7/5/2020		7/18/2020		July 31, 2020
17	7/19/2020		8/1/2020		August 14, 2020
18	8/2/2020		8/15/2020		August 28, 2020
19	8/16/2020		8/29/2020		September 11, 2020
20	8/30/2020		9/12/2020		September 25, 2020
21	9/13/2020		9/26/2020		October 9, 2020
22	9/27/2020		10/10/2020		October 23, 2020
23	10/11/2020		10/24/2020		November 6, 2020
24	10/25/2020		11/7/2020		November 20, 2020
25	11/8/2020		11/21/2020		December 4, 2020
26	11/22/2020		12/5/2020		December 18, 2020
27	12/6/2020		12/19/2020		December 31, 2020
First Check Date 2021	**12/20/2020**		**1/2/2021**		**January 15, 2021**
2	01/03/2021		01/16/2021		January 29, 2021