



NEW PAYROLL SYSTEM (APRIL 30, 2010) SEMI-MONTHLY PAYROLL

Auditor-Controller
Announcement
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What is Changing?

The County will be replacing its payroll system (CWPAY) with the April 30, 2010 payday. With the implementation of the new eHR Payroll System, the County is changing from a monthly payroll with a pay advance to a semi-monthly payroll.

eHR Payroll Highlights!

- Replacing a 30-year old payroll system (CWPAY)
- First Payday: April 30, 2010
- Semi-Monthly Pay
- Work Day Pay
- Earnings and Deductions on each pay statement

What Do I Need to Know?

MONTHLY TO SEMI-MONTHLY PAY

Currently, most County employees are paid regular earnings on a monthly basis, on the 15th of every month, and are provided a pay advance on the 30th of every month. With the change to semi-monthly payroll, an employee will no longer receive a pay advance. Instead, earnings will be paid on a semi-monthly basis on the 15th and 30th.

TAXES AND DEDUCTIONS

Change to semi-monthly payroll also means that all taxes and most deductions will be split and deducted twice a month.

ONE TIME INCREASE IN W-2 EARNINGS.

An extra pay period will be reported to the IRS and the State for the 2010 tax year. The one-time conversion from monthly to semi-monthly pay periods will result in 12 1/2 months of taxable earnings reported on an employee's W-2 Form for the 2010 tax year (issued in January 2011). This is caused by inclusion of first and second half December 2009 earnings in the January 15, 2010 pay check. While your reported taxable earnings will increase for 2010, this does not change the amount of earnings an employee is paid. After 2010, a January 15th pay day will include only earnings for the second half of the preceding December, for a total of 12 months taxable earnings per year. .

For more information see **Frequently Asked Questions, Semi-Monthly Payroll (P1)**, at the LA County Employee Portal page at <http://payroll.lacounty.gov>.

Frequently Asked Questions

For more details on these issues and other information visit the Employee Portal: <http://payroll.lacounty.gov/faq> or ask your payroll manager.

Does This Impact My Pay?

MONTHLY TO SEMI-MONTHLY PAY

An employee's regular earnings will be split between the two pay periods of the month. If an employee's monthly salary is \$5,000.00 the employee will be paid \$2,500.00 each semi-monthly pay period.

GARNISHMENT AND CHILD SUPPORT

Garnishments will be processed each pay day, thus a fee will be assessed twice a month.

SMOOTHING OF NET PAY

Your monthly earnings will not change, but your 15th paycheck may decrease and your 30th paycheck may increase, due to even distribution of earnings and deductions.

For more information about on the new eHR Payroll System, please visit the LA County Employee Portal at: <http://payroll.lacounty.gov>



Semi-Monthly Payroll

Current Monthly Payroll			
Pay Day	April 30 [Advance]	May 15	Total
REGULAR EARNINGS		\$4,940.00	\$4,940.00
CAFETERIA PLAN TAXABLE CASH	0	\$115.76	\$115.76
ADVANCE PAYMENT	\$1,601.00		\$1,601.00
RECOVERY OF AD- VANCE	0	-\$1,601.00	-\$1,601.00
TOTAL EARNINGS	\$1,601.00	\$3,454.76	\$5,055.76
TOTAL DEDUCTIONS	0	-\$1,736.48	-\$1,736.48
NET PAY	\$1,601.00	\$1,718.28	\$3,319.28

MONTHLY PAY

Earnings are not divided evenly for each pay period

Taxes and deductions are withheld once a month

No Change in your Earnings!

New Semi-Monthly Payroll			
Pay Day	April 30	May 15	Total
REGULAR EARNINGS	\$2,470.00	\$2,470.00	\$4,940.00
CAFETERIA PLAN TAXABLE CASH	\$57.88	\$57.88	\$115.76
TOTAL EARNINGS	\$2,527.88	\$2,527.88	\$5,055.76
TOTAL DEDUCTIONS	\$868.24	\$868.24	\$1,736.48
NET PAY	\$1,659.64	\$1,659.64	\$3,319.28

SEMI-MONTHLY PAY

Earnings are divided evenly for each pay period*

Most taxes and deductions are withheld twice a month**

* When splitting a monthly salary in half results in a fraction of a cent, the fraction will be rounded up.

** Differences in tax calculation methodologies and rounding differences may affect tax withholdings and deductions by a few cents.