



PAYROLL DEFERRAL

-Answers to Frequently Asked Questions-

The following is a detailed listing of answers to frequently asked payroll deferral questions. Should you have questions remaining after reviewing this document, please contact your HR Administrator.

Q. Why is my pay being delayed?

A. The budget enacted by the General Assembly mandated the delay in pay. This means that the pay to be issued on *June 30th must be deferred until July 1st, the first banking day of the new fiscal year.

* As a result of 101 KAR 2:095, Section 10, cited below, this date may differ when June 30th falls on a weekend or state holiday.

101 KAR 2:095, Section 10. Issuance of Pay to State Employees. (1) Pay shall be issued to state employees on the 15th and 30th day of each month.

(2) If the regularly scheduled pay date falls on a weekend, state employees shall be issued pay on the preceding Friday.

(3) If the regularly scheduled pay date falls on a state holiday as defined in KRS 18A.190, pay shall be issued on the workday preceding the holiday.

Q. Is this deferral of my pay legal?

A. Yes, the deferral is legal. The Budget Bill language sets aside all other language that controls pay dates and regular pay schedules.

Q. Will this happen again in subsequent years?

A. Beginning in 2012, based on the 2010-2012 Budget Bill enacted by the General Assembly, a payroll deferral was mandated for the final payroll of the fiscal year. This means that the final payroll for the 2011-2012 fiscal year (June 29, 2012) was postponed until the first business day of the following fiscal year (Monday, July 2, 2012). Since that event, a payroll deferral has continued to be mandated in each subsequent Budget Bill. In the event that a future Budget Bill is enacted that ends this practice, employees will be notified. However, it should be expected that each year the June 30th pay will be deferred to July 1st or after.

Q. Am I being paid less because of the delay?

A. No, employees will not lose money. It only impacts the timing of the last payroll in the fiscal year. Employees will receive the same annual salary. Employees will receive three payments dated for July (July 1st, July 15th, and July 30th).

Q. Does my bank already know, or should I contact them myself?

A. Banks and credit unions are accustomed to this deferral, which has been in place since June 2012. You should feel free to contact your bank with any specific questions about your account.

Q. What if I have bills that are automatically deducted out of my account?

A. It is important to review your scheduled bill payments, especially if you pay bills out of an account which relies on your automatic deposit. Your pay will not be available until July 1st. If you have bills that are

scheduled for payment June 30th you may wish to consider pushing this date back if you will not have sufficient funds to cover your payments. You also should make sure that you request the payment date change far enough in advance in case there is a certain time period before the change is effective. Some businesses require 30 days advance notice for this type of change. The Commonwealth will not cover any fees for payments processed prior to July 1st due to insufficient funds. In addition, the Commonwealth will not provide reimbursement for any interest lost or not earned during this period.

Q. What if I have a garnishment scheduled for the end of the month?

A. All court-ordered garnishments, such as child support or wage garnishments will be taken out of your pay as usual. Your garnishments should not be impacted by this delay in pay, and you do not need to take any additional action.

Q. Will my health or optional insurance benefits be impacted? What if I have Flexible Spending Accounts?

A. Your health and optional insurance benefits and flexible spending benefits will continue without interruption. There should be no impact on dependent care funds due to the delayed payment schedule. If you have any questions about this, please contact the Department of Employee Insurance Member Services line at (888) 581-8834 or (502) 564-6534.

Q. Will my retirement account be impacted by this delay in pay?

A. No. If you have specific questions, you may contact the Kentucky Retirement Systems at (502) 696-8800.

Q. Will the accounts I hold with the Deferred Compensation Authority be impacted?

A. The delay in pay will impact your Deferred Compensation accounts. Your deferral will be handled in the same manner as before, however, your June 30th deferral will now be scheduled for July 1st investment date. As this revised date is after the close of the second quarter, this investment will be reflected on your third quarter statement. If you have any questions about this, please contact Kentucky Deferred Comp at (800) 542-2667 or (502) 573-7925.

Q. I participate in payroll deduction with an optional insurance company – will this be impacted?

A. No. All third party vendors who participate in the Commonwealth's payroll deduction program are accustomed to this deferral, which has been in place since June 2012. You do not need to take any additional steps with these accounts. The amounts will be deducted out of your July 1st pay.

Q. Do I need to do anything different with my timesheet for June 1 through June 15?

A. No.

Q. Why will my salary statement be different from the information on my pay?

A. The salary statement available through KHRIS Employee Self-Service (ESS) will reflect the originally scheduled pay date of June 30th; however, the salary statement will include a note indicating that this payment was actually distributed on July 1st. If you receive a printed check, it will be dated July 1st. The salary statement date cannot be changed due to programming considerations.

Q. The delay of my pay will create a financial hardship for me. Can I get an advance on my pay?

A. The Commonwealth does not provide advances for employee pay. You may wish to check with your bank or credit union to see if you qualify for a short-term loan to assist you during this time. In addition, Expree and CCU are both known for assisting state employees in times of financial hardship. Expree can be reached at (833) 4-EXPREE or <https://expree.org/> and CCU can be reached at (800) 228-6420 or <http://www.ccu.org>.