Iowa State University’s transition to Workday offers an opportunity to clarify existing policies related to faculty pay and benefits, and to outline small changes that will take effect July 1. These changes are of particular relevance to B-base faculty who are paid summer salary and to faculty who are planning to resign or retire at the end of this academic year. We are also writing to request your help to ensure all faculty are paid appropriately over the summer.

Faculty Summer Salary

**WHAT IS NOT CHANGING:** Iowa State faculty with 9-month work periods corresponding to the academic year (which today is known as “B-base”) will continue to have the opportunity to earn supplemental summer salary. As specified in the Faculty Handbook (Section 3.1.1), summer appointments are made on a year-by-year basis for the period of May 16-August 15. Faculty may earn up to three months of salary in the summer, with a maximum of 11 months of salary coming from general fund sources during a fiscal year.

**ADDITIONAL CONSIDERATIONS FOR WORKDAY TRANSITION:** Because of the work required to bridge from our current system to Workday (known as the “cutover”), the timing of initiating summer salary actions (EPAs) has become critical. Faculty who wish to earn summer salary, particularly for May and June, should communicate their plans to their department chairs as soon as possible. Appointments will need to be initiated and processed by May 16.

The immediacy of this request is due to benefits deductions, which is covered below.

12-Month pay Option

**WHAT IS NOT CHANGING:** Faculty with 9-month work periods corresponding to the academic year may elect to spread their academic year salary over 12 months (July-June). This election is available only to faculty who are employed for the full academic year, and after the faculty member’s first full year at Iowa State. If you have already elected the 12-month option, you do not need to take any action – your election will be continued into FY20 and the Workday system.
If you wish to newly elect the 12-month option, complete an election form by June 20, 2019 available at: http://www.controller.iastate.edu/payroll/forms.htm. Please note that faculty who elect the 12-month option may still earn their full summer salary, as described in the section above.

**ADDITIONAL CONSIDERATIONS FOR WORKDAY:** The transition to Workday will impact the schedule of monthly benefits deductions in the summer. In the current system, faculty who do not elect the 12-month option have triple deductions withheld in May to prepay their summer benefits costs.

Permanent changes effective July 1, 2019:
- Faculty who do not elect the 12-month pay option, and who ARE paid summer salary, will have benefit deductions made for every month of summer pay.
- Faculty who do not elect the 12-month pay option, and who are NOT paid summer salary for June or July, will receive a triple deduct in **August** to catch them up in arrears for the summer benefits.
- Faculty who DO elect the 12-month pay option will receive benefit deductions evenly throughout the year, consistent with current practice.

One-time changes effective for Summer 2019 (a cutover issue):
- Faculty who do not elect the 12-month pay option, and who are NOT paid summer salary, will receive a double deduct in May to cover their benefits through June, and will have a double deduct in August to catch them up in arrears for the benefits from July.

**Benefits Coverage**

CHANGES TO COVERAGE END DATE: As you know, the policy regarding insurance coverage upon separation from employment was changed, effective January 1, 2019. Benefits coverage for all employees ends at the end of the last month worked by the employee. For example, if a faculty member leaves Iowa State effective May 15, their insurance benefits will extend to the end of May. As noted in the Faculty Handbook (Section 4.4), resignations of B-base faculty are ordinarily effective as of May 15 of the current academic year; the effective resignation date is the last day the faculty member will be on appointment with salary.

**Actions required by May 16 for May and June**

To ensure you are paid correctly over the summer, it is imperative that you let your department chair or administrative staff support know immediately if you plan to earn summer salary. Faculty who have summer salary processed in May or June will have one month of benefits deducted from each month of their summer pay. This means there will not be a double or triple deduction in May, so long as summer salary appointments are processed by May 16! (The primary focus is on May and June salary/deductions, which will occur before Workday is launched on July 1. If summer pay is processed in July or August, those benefit deductions will also occur in each month’s pay.)

Likewise, timely processing of faculty who are separating from the university will help avoid double or triple deductions taken from the May paycheck. It is imperative that you let your department chair know immediately if you plan to resign or retire from your position at the end of the current academic year (i.e., May 15, 2019). Faculty who plan to resign during the summer, and who have a paid summer appointment, will have benefits coverage only until the end of their last summer month. Consistent with current practice, COBRA insurance is offered to all separating employees who wish to continue on the ISU Plan.
Again, timely processing of summer salary, retirements, and resignations will help prevent incorrect withholding for benefits, which must be remedied at a later date, as well as ensure that Workday has the most accurate information when it becomes operational in July.

We encourage you to speak with departmental staff or the human resources professional in your college, or the Benefits Office directly, if you have questions about the topics covered in this communication, and their impact on you, personally.

JAW/jj