TO: Agency Heads/CFOs
FROM: Glen B. Gainer III
State Auditor
DATE: May 6, 2014

SUBJECT: OASIS Conversion to Arrears/Bi-weekly Pay

With the passage of Senate Bill 322 this year, the State of West Virginia has become poised to greatly enhance the way administrators record, process, and ultimately pay our most-valued resources -- our State employees. These changes will improve accuracy and efficiency in the payroll process, and provide employees with the consistent pay schedule of a standardized two-week pay period.

These improvements will require a significant level of education, training, and planning on the part of State agencies and their employees. To that point, the communication to inform and educate is starting now, and will run throughout the entire conversion process, to make sure your agency and employees are as prepared as possible.

There are two main areas in which significant payroll changes will occur. The first is the conversion of all remaining “current” paid employees to arrears pay. It is important to note that no employees will have to miss or skip a pay as a result of this change. Secondly, is the change in frequency of pay from a semi-monthly (two pays per month/24 per year) to a bi-weekly (every two weeks/26 per year) pay frequency. Again, no state employees will miss a pay as part of this frequency change.

**Conversion of Remaining Current to Arrears Pay**

In 2002, the West Virginia Legislature passed House Bill 4012 mandating all new hires be paid one pay period in arrears. However, there are approximately 10,000 still-active State employees who were hired before July 2002, and are currently paid under the “current” classification. Senate Bill 322 allows for the
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State to convert those employees to arrears pay. To do this, a one-time “no hardship arrears conversion” pay code will be utilized on the last pay of September 2014. A converted employee will not miss a payday as part of the arrears conversion. The process will provide for all employees to be in arrears when EPICS converts to the OASIS payroll system in January 2015.

Affected employees will be programmatically converted with a corresponding receivable to be recorded by the State for their gross pay amount. Upon this conversion, the employee will automatically be entitled to one additional pay at the time of their separation of service with the State, from which the receivable balance due the State will be collected through the use of the “no hardship arrears conversion” code.

At this time, we encourage you and/or your Human Resources/Payroll staff to verify the accuracy of the pay status classification (current or arrears) for all agency employees as denoted on the EPICS PRMIS screen. If there are discrepancies, please contact Central Payroll in my office by calling (304)558-2251, or preferably by email, EPICSPAYROLL@wvsao.gov. Other technical instructions and details of the conversion will be communicated by WVSAO payroll to their colleagues at your agency as the conversion progresses.

Conversion to Bi-Weekly Pay

The first bi-weekly payday will be Friday, January 16, 2015.

All employees will be paid every two weeks rather than twice per month in the new OASIS HR/Payroll system. At that time, salaried employees will have their annual salary divided by 26 to determine their corresponding bi-weekly pay. Paycheck deductions which are prorated based on salary payments such as insurance, tax withholdings, and garnishments, etc., will now be divided by 26 as well. However, voluntary per-pay deductions such as 457 plan contributions, SMART529 plan contributions, and charitable deductions will remain the same as previously agreed to by the employee. The very first paycheck will include 17 work days because of the conversion timeline, but all subsequent pay periods will cover 14 days thereafter.

Because employees will be receiving two more paychecks during the year, each gross pay amount will be slightly lower than it is in today’s semi-monthly paycheck. Additionally, because of the way the calendar falls, there will be two months in which three bi-weekly payments will be made. Those months are July 2015 and December 2015. The annual increment will also arrive as usual in late July. It is important for employees to understand this transition, and work to minimize any impacts it may have to their personal budgets.
In closing, the State Auditor’s Office and ERP Board are committed to working with you to ensure that employees are both informed and educated about these changes, and to assist your administrative personnel, as needed. I encourage you to visit the OASIS website at www.wvoasis.gov, to keep abreast of the program’s progress, and download the “Pay Frequency of West Virginia State Employees” document on the FAQ page.

I look forward to working with you and your staff in this effort to bring a predictable and stable pay system to our Great State. Thank you for your time and attention.

GBGIII:cc