



Fw: Additional Information - Faculty and Professional Pay Date Shift - June 2012

UNLV Official to: UNLV Official

09/12/2011 02:50 PM

Sent by: **Auto Mail**

Bcc: Chris Viton

Please respond to finance official

Dear Campus Community,

As a follow-up to our previous introduction of the NSHE-wide change in faculty/professional staff pay date after the June Board of Regents meeting (along with the information about the 2.5% pay reduction and FY12 furlough requirements) and our more detailed message on August 31, following is additional information about the pay date shift impact to faculty and professional (monthly paid) staff and also information about the impact to UNLV.

Impact to State Classified (semi-monthly paid) Staff: There is no impact for NSHE state classified staff. All pay dates remain the same.

Impact to Faculty and Professional (monthly paid) Staff:

The pay date shift means that effective June 2012, rather than receiving your pay on the last working day of the month, you will begin receiving your pay on the first working day of the next month (a one business day shift). There is no overall loss for any employee - just a one business day change in pay date for pay dates beginning June 2012. You will be paid for every day that you work at UNLV. However, due to W-2 tax reporting being based on pay date, not pay period end date, your calendar year 2012 W-2 tax statement will only reflect 11 monthly payments, even though the pay date only changes by one business day (because the December 2012 pay date shifts from December 31, 2012 to January 2, 2013 - a one business day shift).

We understand that this pay date shift may represent an inconvenience or hardship for some (e.g., perhaps requiring that automatic withdrawal dates for certain payments be altered or having to stretch a month's salary an additional business day, which in some cases can be several calendar days). In addition, due to the impact on 2012 tax reporting, we encourage you to review the effect of the tax reporting impact on 2012 taxable earnings and also voluntary tax deferred savings contribution limits. This is why we wanted to notify you well in advance (and will continue to send reminders) so that you have time to prepare for this change.

So, why a pay date shift ? - Impact to UNLV:

The pay date shift was implemented by the NSHE as part of an overall budget strategy to help UNLV and other campuses achieve one-time savings to mitigate the impact of the budget reductions coming out of the last legislative session. When this pay date shift was originally proposed the anticipated FY 12/FY13 state base budget cut was projected to be over 27%, while the final figure (after the critical decision by the State Supreme Court, late in the session) was about 1/2 that size. We should note that it was very beneficial to NSHE for the state to allow NSHE to keep these funds, as in many other states pay date shifts like this have been implemented and were used to provide savings at the overall state budget level, whereas NSHE was allowed to retain this savings.

Without these funds the budget impacts in the academic areas (where most of these savings realized from the shift have been directed) would have been much more severe for FY12 and FY13, and some of the programs and staff that were identified for potential cuts would have had to sustain those cuts.

Listed below is a summary of the state budget reductions for UNLV over a time period of six (6) fiscal years - although note that we only had four years to implement them, as the budget for the new biennium had to be addressed by July 1, 2011. These are significant cuts and have required significant sacrifice on

the part of all campus programs and services.

Background and Context:	In Millions	% of pre-cut base
Cumulative State GF Cuts last 4 Years	-\$49.6	-26.8%
Final FY12/13 Base GF Budget Cut	-\$23.6	
Total	-\$73.2	-39.6%

The projected one-time benefit from the pay date shift is outlined below. The "restricted funds" can only be used by those specific accounts, while the other funding has significant flexibility. These one-time savings are created because we eliminate one pay-date in one fiscal year (FY12 in this case). Technically this is merely a longer term internal loan as this shift does not create new funds, but simply defers one month faculty/professional payroll to the next fiscal year. However, the financial benefit is real and significant.

Financial Summary of Pay Date Change:			
	State Funds	Unrestricted non-state	Total
UNLV	\$12,690,000	\$5,236,152	\$17,926,152
Law	\$694,000	\$146,365	\$840,365
Dental	\$867,000	\$139,681	\$1,006,681
ICA/TMC/SBS/Cox	\$109,000	\$882,412	\$991,412
Subtotal			\$20,764,610
Restricted Funds			\$3,235,514
Total			\$24,000,124

We do fully appreciate that this change will impact faculty and professional staff individually, while understanding that overall it is better for the whole. We hope that providing notice well in advance of this change will provide you with the opportunity to plan ahead in order to limit the impact this change will have.

Please feel free to contact me if I can answer any questions or provide additional information.

Regards,

Chris.

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