

Frequently Asked Questions

YOUR PAY 
 *new way*

In early 2024, we will start being paid every other week on Thursdays, 26 times per year. **Check here first** for answers to common questions about this transition. For specific help, contact a payroll professional in HR Shared Services at HRSS@thgrp.com. Or connect with your manager or local HR professional any time.

KEY:

Currently hourly,
paid weekly

Currently salaried,
paid semi-monthly

Seasonal

All employees

I am an hourly employee*, paid weekly. What is being updated?

On February 22nd, 2024, the timing and frequency of your pay will be updated. Wages will stay the same, though **you will be paid 26 (vs 52) times per year**, every other week on Thursdays, i.e., biweekly. For hourly employees (including some unions*) now being paid weekly, this means **more gross pay per paycheck but fewer paychecks per year**. All employees should check to be sure that the timing of their current expenses, bills and other payments will be in line with their biweekly income. For help, consult Employee Resources and Your Planning Checklist on the Total Rewards & Benefits Portal.

When will the transition to a biweekly pay schedule happen for hourly employees?

For hourly employees who are currently paid weekly, the transition will occur in **February 2024** as follows:
February 8, 2024: Last weekly paycheck
February 22, 2024: First biweekly paycheck

I am a salaried employee, paid semi-monthly. What is being updated?

On January 11, 2024, the timing and frequency of your pay will be updated. Salaries will stay the same, though you will be paid 26 (vs 24) times per year, every other week on Thursdays, i.e., biweekly. For salaried employees, this means **less gross pay per paycheck but more paychecks per year**. All employees should check to be sure that the timing of their current monthly expenses, bills and other payments will be in line with their biweekly income. For help, consult Employee Resources and Your Planning Checklist on the Total Rewards & Benefits Portal.

When will the transition to a biweekly pay schedule happen for salaried employees?

The transition for salaried employees will occur in January 2024 as follows:
December 29, 2023: Last semi-monthly paycheck covering 12/16/2023 – 12/30/2023
January 11, 2024: One-week paycheck covering 12/31/2023 – 1/6/2024
January 25, 2024: First biweekly paycheck covering 1/7/2024 – 1/20/2024

*For work locations where bargaining unit employees are represented by a union, the union contract controls if this information is different from the union contract.

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Why are we moving to a biweekly pay schedule?

We're always working to improve your employee experience, including the way you get paid. At the beginning of 2024, we're taking the important step of moving all Heritage Group employees – salaried and hourly – onto the same bi-weekly payroll cycle. This change supports our technology upgrade that will allow you to access your pay and benefit information when and where you need it, even on your cell phone.

Who is affected by the updated pay schedule?

By late February 2024, **all employees*** will be paid biweekly. Union employees remaining on a weekly pay schedule will transition as contract negotiations and state requirements allow. We are in this together!

Will the biweekly pay schedule affect my salary, wages or deductions?

You will see that **per-paycheck earnings will be adjusted** as a result of being paid 26x per year. But while the frequency of your pay will change, **you will not experience a change in total salary, total wages or total annual deductions.**

Hourly employees now being paid weekly will see more gross pay per paycheck but fewer paychecks per year.

Employees on salary, now being paid twice a month, will see less gross pay per paycheck but more paychecks per year.

How should I prepare for the transition to our new biweekly pay schedule?

Start planning! All employees should check to be sure that the timing of current monthly expenses, bills and other payments will be in line with their biweekly income. This is especially important for those who have set up automatic/electronic payments for things like rent, credit card bills, 401(k) loans or other loan payments or child support. For help, consult Employee Resources and Your Planning Checklist on the Total Rewards & Benefits Portal.

Will I miss a paycheck during this transition?

No. This transition will not result in a missed paycheck, but the first paycheck **for salaried employees** will be a partial paycheck. The transition introduces a 5-day lag of when the pay is received after the end of the pay period.

Will wages or salaries change with this transition?

While the frequency of your pay will change, **you will not experience a change in total wages.** For salaried employees, the transition introduces a 5-day lag of when the pay is received after the end of a pay period.

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Will I have more federal taxes deducted from my paycheck? Your federal taxes are still based on your gross annual earnings and on the answers provided on your current W-4 on file.

Will I need to make any changes to my additional withholding amount on my taxes? If you have an additional tax amount deducted from your paycheck, that weekly or semi-monthly amount will be the same amount deducted from your biweekly check. For example, if you have a weekly or semi-monthly additional federal tax amount of \$100 per pay period, you will still have an additional federal tax amount of \$100 per pay period as a biweekly paid employee.

How does the change in pay frequency affect my federal taxes? We will continue to withhold taxes according to the Federal W-4 form you currently have on file. Your biweekly earnings will be taxed based upon the biweekly tax schedule set by the Internal Revenue Service. You can review the tax schedules at www.irs.gov. If you are uncertain about the impact of this change on your tax situation, please consult your personal tax advisor.

Will I need to make any changes to my direct deposit? If your earnings are currently deposited directly into your bank account, **you do not need to make any changes unless you have multiple direct deposit accounts and want to change the specific dollar amount allocation.** If you are depositing a fixed flat-dollar amount into secondary accounts, the amount taken out of your weekly or semi-monthly check will be the same amount taken out of your biweekly check.

For example, if you have a weekly deposit of \$100 per pay period into a secondary account, you will still have a deposit of \$100 per pay period as a biweekly paid employee **which is less than what would have been originally deposited in the secondary account.**

For example, if you have a semi-monthly deposit of \$100 per pay period into a secondary account, you will still have a deposit of \$100 per pay period as a biweekly paid employee.

If you would like to change your direct deposit arrangement, contact HRSS@thgrp.com for help.

Where can I find the pay schedule for 2024? You can find the 2024 pay schedule on the **Total Rewards & Benefits Portal under the Pay tab.**

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Will my vacation or Paid Time Off (PTO) accrual change? Your **vacation, personal, sick or PTO time accrual will not be affected** by the transition to a biweekly pay frequency.

Will deductions change for things like benefit premiums or 401(k) loan payments? You will see that **per-paycheck deduction amounts will be adjusted** as a result of being paid 26x per year. But while the frequency of your pay will change, **you will not experience a change in total annual deductions** for things like benefit premiums or 401(k) loan payments. Seasonal employees: see next question.

I am a seasonal employee. How will deductions be handled for things like benefit premiums? You will see that per-paycheck deductions will be adjusted as a result of being paid 26x per year. But while the frequency of your pay will change, **you will not experience a change in total annual deductions** for things like benefit premiums. For most seasonal employees, the benefit deductions per paycheck will be doubled.

I contribute to my 401(k) Retirement Savings Plan. When will my contributions occur? If you have elected to contribute to your 401(k) as a percentage of your earnings, you will see that these contributions, **made each pay period**, will be adjusted as a result of being paid 26x per year. While the frequency of your pay will change, **you will not experience a change in your total annual contribution to your 401(k), as a percentage of your total pay**, unless you request such a change. If you have elected your 401(k) contribution as a flat amount, that amount will not change per paycheck.

I have taken out a loan against my 401(k) Retirement Savings Account. Will my payment amount change?

While the frequency of your pay will change, **you will not experience a change in your total 401(k) loan obligation.**

Hourly employees, whose first biweekly paycheck appears February 22, 2024, will see their loans re-amortized based on a biweekly pay frequency and loan payment amounts adjusted accordingly.

Salaried employees, who transition to biweekly pay at the first of the year, will see that per-paycheck loan payments will be adjusted as a result of being paid 26x per year.

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What is the “benefit holiday” happening during the transition to the new biweekly pay schedule?

For one pay period in 2024, The Heritage Group will pay medical benefit premiums for all active employees who are enrolled in the medical plan and receive a paycheck on the date of the benefit holiday. Money that would ordinarily have been deducted from your paycheck will instead go directly to you. The benefit holiday will cover the **January 11 paycheck for salaried employees and hourly employees paid biweekly**, the **February 22 paycheck for hourly employees currently paid weekly**, and the **June 13 paycheck for AMI seasonal employees currently paid weekly**.

I have a health savings account (HSA), flexible spending account (FSA) or dependent care spending account (DCFSA) contribution. How will the transition to biweekly pay affect the amount deducted?

All **hourly** employees will see normal deductions for their HSA, FSA or DCFSA contributions on their February 22 paycheck.

For **employees moving from semi-monthly to biweekly**, HSA, FSA and DCFSA elections will not be deducted from the transitional January 11 paycheck; instead, those contributions will be distributed across the year’s remaining 25 paychecks.

I have a garnishment and/or child support deduction. How will the transition to biweekly pay affect the amount deducted?

If the garnishment deduction is calculated as a percentage of your earnings, a deduction will occur each pay period, up to the maximum deduction allowed, and based upon federal and state regulations. For example, a garnishment deduction of 25% will continue to be made at the rate of 25% per pay period.

If the garnishment deduction is a fixed dollar amount, the amount will be recalculated to a biweekly amount.

Hourly (currently paid weekly) example: If you have a weekly \$50.00 garnishment payment, it will recalculate as follows:
 $\$50 \times 52 \text{ weekly payments} = \$2,600 \text{ annually} / 26 \text{ biweekly pay periods} = \$100.00 \text{ biweekly deduction.}$

Salaried (currently paid semi-monthly) example: If you have a semi-monthly \$250.00 garnishment payment, it will recalculate as follows:
 $\$250 \times 24 \text{ semi-monthly payments} = \$6,000 \text{ annually} / 26 \text{ biweekly pay periods} = \$230.77 \text{ biweekly deduction.}$

HR Shared Services will notify the appropriate court about the change in pay frequency.

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I receive an allowance for cell phone, housing or vehicle use. How will this be affected by the change in pay frequency?

Most allowances are paid out on **the first pay period of the month** and that will not change. Allowances which are paid out at different times will be evaluated and updated to ensure you receive such payments in a timely manner.

Can I choose not to transition to the new biweekly pay schedule?

By the end of February 2024, **all employees* will transition** to a biweekly pay schedule. Union employees will transition as contract negotiations allow. The transition is not optional; we are in this together!

What happens every 11th year when there are 27 pay periods instead of 26?

This situation occurs with a biweekly pay schedule and affects salaried employees as follows: they will receive 1/27th of their annual salary, but pay 1/26th of their benefits deductions, each paycheck. The gross pay per paycheck that 11th year will be slightly lower than the prior year; but with the 27th paycheck, salaried employees will receive the remaining balance of their gross annual salary. Deductions such as 401(k) loans, child support and garnishments will be processed, but benefit deductions will not be processed, on the 27th paycheck. Paycheck amounts will revert to 1/26th of the annual salary and deductions the next year.

Whom should I contact if I have more questions?

Payroll and other service professionals in **HR Shared Services** can answer your questions, both during and after the transition. Contact **HRSS@thgrp.com** for help. You are welcome to connect with **your manager** or **local HR professional** as well.

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