LAKE SUPERIOR STATE UNIVERSITY PROCEDURES MANUAL
Administrative Policy

Section: Business and Support Operations	**Section Number:** 3.19.10
Subject: Salaries and Wages: Payroll Computation and Payday	**Page:** 1 of 2

Date of Present Issue:
02/03/21

Date of Previous Issues:
07/71, 07/79, 07/80, 01/81, 12/85, 07/87, 01/88, 08/90, 05/00

POLICY:

A.   General

All employees of the University are paid on a biweekly basis. The two-week pay period commences on a Sunday and terminates on a Saturday.

B.   Annual Salary

Salaries for academic and exempt administrative/professional employees are expressed as an annual rate. All salaries, both on annual and academic year service basis, are spread over either 20 or 26 paydays in a year, (note exceptions on attached pay schedules when there will be 21/27 paydays).

C.   Salary on Annual or Academic Year Paid Over a Period of Twelve Months (26 paydays)

I. To establish the gross biweekly pay rate for exempt employees, including faculty, the following computation is used; assuming a $40,000 annual salary:

    a. 26 paydays per year
    b. Divide $40,000 by 26 pay periods = $1,538.46 gross per pay period
    c. The last check will be adjusted to compensate for any rounding factor.

II. To establish the gross biweekly hourly rate for non-exempt administrative/professional employees:

Establish hourly earnings rate:

Divide salary	$30,000
by working hours per year	2,080
	$ 16.35 hourly rate

The hourly rate is then multiplied by 80 hours, or $1,393.84 as the gross biweekly rate.

An hourly earnings rate will be the rate used in computing the pay off of accrued vacation and sick leave, except where other contractual agreements preclude its use. The hourly rate used to pay off vacation and sick leave accruals will be the rate in effect at time of termination.

D.   Salary on Academic Year Paid Over Twenty (20) Biweekly Payroll Periods (optional)

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To establish the gross biweekly rate, the following computation is used, assuming a $40,000 annual salary:

a.   20 paydays
b.   Divide $40,000 by 20 pays = $2,000 gross biweekly rate
c.   The last check will be adjusted to compensate for any rounding factor.

E.   Employees who are terminated from employment will be paid any remuneration due for time worked, within two weeks of their termination date, at the rate for which they were authorized to be paid on their date of termination. This rate will also apply to accrued vacation and sick leave pay-off if applicable. Retroactive pay rates awarded to other employees after an employee's termination date will not be applicable to the terminated employee.