

Full-time Executive, Non-Contract, and Faculty Association Employees Paid Over 12-months

Have you ever wondered why your regular bi-weekly pay check does not align with your days worked?

1. This is because you are paid in advance for days you are expected to work, instead of in arrears. An employee's annual salary is simply divided by 26 and paid equally over 26 pay periods over any given fiscal year (occasionally a fiscal year may include 27 pay periods).
 - a. In some fiscal years, the first paycheck is as early as September 1 which means an employee receives their first paycheck just 1 day into the Fiscal Year.
 - b. In some fiscal years, the last (26th) paycheck is as early as August 17 which means an employee still "owes" the College working days thru August 31.
2. Because of this, retiring or resigning employees often do not receive a full final pay check when they separate, and in some cases, depending on the separation date, they "owe" the College days worked.

Why does this matter?

In the upcoming fiscal year (FY24 starting 9/1/2023), MCC has a rare opportunity to shift to a pay in arrears cycle.

What does this mean for me and my pay?

You will receive 50% of your normal bi-weekly pay in the first pay of FY24 (9/14/23). That may sound significant, but remember, the impact of this one-time reduced pay will be minimized in FY24 based on two reasons:

1. The change from 27 pays (FY23) to 26 pays (FY24), and
2. Any base increase to which you are entitled effective 9/1/23.

Does this mean the College is paying me less in FY24?

No; here is what it means:

1. The first pay date in FY24 is 9/14/23 and the last pay date is 8/29/24.
2. In the first pay in FY24 on 9/14/23, you will be paid for days worked between 9/1/23-9/7/23.
3. Thereafter, you will be paid your regular bi-weekly paycheck in alignment with your days worked and paid time off.
4. The first paycheck of FY25 is 9/12/24. It will include the remainder of your FY24 pay (6 days or 8/23/24-8/31/24 at your FY24 rate) and the first 4 days of your FY25 pay (4 days or 9/1/24-9/5/24 at your FY25 rate).

An example to illustrate based on a \$65,000 salary in FY22

Number of Paychecks	FY22	FY23	FY24 (current)	FY24 (proposed)
bi-weekly paycheck over 26 pays	\$2,500			
bi-weekly paycheck over 27 pays*		\$2,474		
bi-weekly paycheck over 26 pays*				
1st pay date 9/14/23			\$2,640	\$1,320**
25 bi-weekly paychecks			\$2,640	\$2,640
1st paycheck of FY25 9/12/24			n/a	\$2,669***

* includes 2.75% contractual raise

**paycheck covers 9/1/23 – 9/7/23 (5 working days)

***paycheck covers 8/23/24 - 8/31/24 (at FY24 pay rate) and 9/1/24 – 9/5/24 (at FY25 pay rate)

How should I prepare for this change?

Make any necessary adjustments to your personal budget to account for the first pay check of FY24 (9/14/23) to be reduced.