



BOARD OF SELECTMEN
TOWN OF FOXBOROUGH
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MEMORANDUM

To: All Non-School Town of Foxborough Union Presidents (except Police)
From: Bob Cutler, Town Manager *ABC*
Cc: All Non-School Employees
Date: December 5, 2013
Re: **UPDATED: Contemplated Change to Bi-Weekly Payroll**

This memo is an update and restatement of the intentions contained in the June 11, 2013, memo to all of you that the Town of Foxborough is contemplating switching to a bi-weekly payroll system effective the week of April 17, 2014 (*7 months later than originally contemplated*). The Town is allowed to do so pursuant to M.G.L. Ch.41 Section 41 with 90 days notice. If your collective bargaining agreement provides otherwise, then the Town is willing to meet with your respective bargaining unit about the proposed change to a bi-weekly payroll, as we have been over the last few months.

Changing to a bi-weekly payroll would result in modest financial savings for the Town and significantly reduce the administrative time across all departments in processing payroll on a weekly basis. I anticipate that converting to a bi-weekly payroll would have a minimal impact on employees, while increasing the efficiency of Town government.

The Police Union has already agreed to a bi-weekly pay schedule and the School Dept has had bi-weekly pay for decades.

Attached to this memorandum is a list of commonly asked questions and answers that may arise if the Town proceeds with converting from a weekly to bi-weekly payroll and the new proposed schedule for bi-weekly payments. I intend to distribute this to all non-school employees shortly, in order to comply with the 90 day notice requirement, provided by M.G.L. Ch.149 Section 148.

If you have any questions or concerns regarding the Town's contemplated change to a bi-weekly payroll, please contact me or Randy Scollins in writing on or before December 19, 2013. If I do not receive a written request to meet by that date, I will assume that the bargaining units are agreeable to a bi-weekly pay schedule.

**PROPOSED FISCAL 2014 PAY DATE CALENDAR
for FOXBOROUGH MUNICIPAL & DETAIL EMPLOYEES**

July 2013							August 2013							September 2013						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

October 2013							November 2013							December 2013						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

January 2014							February 2014							March 2014						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
			1	2	3	4							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28	23	24	25	26	27	28	29	

April 2014							May 2014							June 2014						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5							1	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					

Legend:  = Holiday  = Weekly Paydate  = Bi-Weekly Paydate

**PROPOSED FISCAL 2015 BI-WEEKLY PAY DATE CALENDAR
for FOXBOROUGH MUNICIPAL & DETAIL EMPLOYEES**

July 2014							August 2014							September 2014								
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa		
		1	2	3	4	5						1	2			1	2	3	4	5	6	
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13		
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20		
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27		
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30						
							31															
October 2014							November 2014							December 2014								
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa		
			1	2	3	4							1			1	2	3	4	5	6	
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13		
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20		
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27		
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31					
							30															
January 2015							February 2015							March 2015								
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa		
				1	2	3							1			1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14		
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21		
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28		
25	26	27	28	29	30	31								29	30	31						
April 2015							May 2015							June 2015								
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa		
			1	2	3	4							1			1	2	3	4	5	6	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13		
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20		
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27		
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30						
							31															

Legend:  = Holiday  = Bi-Weekly Paydate* Please refer to FAQ #19 regarding efforts to have Thursday as the consistent pay date.

Town of Foxborough BI-WEEKLY PAY FAQ'S

1. Q. Why is this change necessary?

- A. 1) Administrative efficiencies are needed across all municipal departments. This change will reduce the time spent on the payroll process by almost half.
- 2) We are always looking for ways to reduce costs and this change will result in the municipal payroll processing bill to also be cut by almost half, or \$7,500, annually. These cost savings for FY '14 have already been cut from the FY '14 budget.
- 3) The Foxborough School department has been on Bi-Weekly pay for decades.
- 4) As part of "An Act Providing Relief & Flexibility to Municipal Officials" (Sec. 19 of Ch. 46 of the Acts of 2003), passed by the State Legislature, Ch. 41 Sec. 41 was changed to allow towns to adopt a Bi-Weekly pay plan

2. Q. When will the change to Bi-Weekly pay take effect?

- A. The last weekly pay date will be **Thursday April 17th, 2014**. The first Bi-Weekly pay date will be **Thursday May 1st, 2014**.

3. Q. Why was that date chosen to change to Bi-Weekly pay?

- A. The Town is providing the 90 day notice referenced in Ch. 149 Sec. 148 of Mass General Law to all municipal employees via their December 5 paychecks/advices. This is 19 weeks or 133 days in advance of the scheduled change. This will also provide time to hold informational meetings with employees prior to the change. Also, May 2014 will have three Bi-Weekly pay periods. Choosing a three pay period month in which to make the change has been a common practice for other towns that have switched to Bi-Weekly pay.

4. Q. Will any municipal employee go three weeks without a paycheck?

- A. No employee who is currently paid weekly will wait three weeks for a paycheck. There will be 26 pay dates in a 12 month period once the transition is made to Bi-Weekly pay instead of the 52 pay dates currently.

5. Q. How will deductions for insurance premiums, pension, flexible spending, deferred compensation, union dues, and court ordered support payments and other garnishments be affected?

- A. Your deductions for these and any other payroll deductions will be converted to Bi-Weekly by multiplying the weekly amount x 2 to equal the Bi-Weekly amount. The annual amounts deducted will not change as a result of changing to Bi-Weekly pay. In the months with three Bi-Weekly pays, the third paycheck will have no health or dental insurance deduction. (This was another reason why May was chosen as the transition month.)

6. Q. How will recipients of court ordered support payments and other garnishments be notified of the change in payment frequency, i.e. Bi-Weekly?

- A. The Town Treasurer will notify those who are directly receiving these town payments.

Town of Foxborough BI-WEEKLY PAY FAQ'S

7. Q. Will I be paying more in federal, state and Medicare taxes because of this change to Bi-Weekly pay?

A. **No.** The annual amount will be the same. However because your gross pay will now be based on two weeks of earnings, your taxes will also be based on two weeks of earnings. On a percentage basis your taxes will be the same.

8. Q. Will I need to make any changes to my tax withholdings?

A. Employees may need to make changes to tax withholdings for the Bi-Weekly payroll conversion, though it is not required. Generally, withholdings are calculated as a percentage of pay and the same amount will be deducted on an annual basis. However, if you are currently having an additional dollar amount withheld for federal and/or state tax, you may want to change those amount(s) for a Bi-Weekly paycheck. Employees may request changes to his/her tax withholdings at any time by contacting the Treasurer's office.

9. Q. Will my rate of pay change?

A. No, your wage or hourly rate will remain the same.

10. Q. How will my stipends be paid?

A. Stipends will be paid according to the provision in your contract or Personnel By-law.

11. Q. When will detail wages be paid?

A. On the same schedule as the Municipal Employee Pay Date Calendar.

12. Q. Will I need to make changes to my direct deposit?

A. No. The vast majority of Foxborough employees are on direct deposit. However this change may be a good reason and opportunity for those still receiving a live check to switch to direct deposit so that you will have faster and more convenient access to your pay.

13. Q. I still receive a live check. How can I get my pay in my bank account faster?

A. Go to the Revenue office and fill out a Direct Deposit form. Also, currently we only offer one direct deposit per paycheck, but going to Bi-Weekly pay will allow the Revenue office the capability to offer two direct deposits per paycheck.

14. Q. Will the change in pay frequency affect my sick and vacation accruals?

A. Annual accrual amounts will not change as a result of Bi-Weekly pay.

15. Q. What if I pay some bills through automatic bill pay?

A. If you have automatic bill pay setup for any regular expenses, for example mortgage payments, car payments, utilities, credit cards or other loans, we encourage you to work with your financial institution to change payment dates as needed.

Town of Foxborough BI-WEEKLY PAY FAQ'S

16. Q. Is the Town doing anything else to help employees prepare for this change?

- A. Yes. The Town has arranged for our payroll bank, TD Bank, to conduct an informational forum on personal banking. Date(s) to be determined and will be communicated via future paycheck/advice attachments.

17. Q. What should I do to prepare for the conversion to Bi-Weekly pay?

- A. We encourage you to review your personal budget situation and determine your income needs based on a Bi-Weekly pay schedule. A Bi-Weekly pay calendar for the next two fiscal years has been included with the information distributed with municipal employees' December 5, 2013, paychecks. Please note that your last weekly pay will be April 17, and will contain one week of earnings and your next pay will be on May 1, which will contain two weeks of earnings. In preparation for the conversion you may also want to:
- Review your current tax withholdings elections to make any necessary changes as discussed in question #8 of these FAQ's. Pay particular attention to additional tax withholding amounts you may have requested.
 - Request that creditors adjust your automatic withdrawal or bill payment dates to align with your new pay date schedule as discussed in question #15 of these FAQ's.
 - If you're not on direct deposit, then take advantage of it now as discussed in question #13 of these FAQ's.
 - If you are already on direct deposit and would like to have two direct deposits, then take advantage of an additional direct deposit in April, also discussed in question #13.

18. Q. Will there be ongoing communication about the change to Bi-Weekly pay?

- A. Yes. An informational forum will be held at each municipal building prior to the change. Also there was an information booth at the September annual Health & Benefits fair. The pay calendar and these FAQ's will be on the Town website on the Revenue department page.

19. Q. Why aren't all of the pay dates on a Thursday?

- A. Currently in our very manual process it takes 3 days (elapsed time) to complete the entire payroll process. When there is a holiday in a pay week that adds a day to the process. However, we are currently working on implementing payroll software to further streamline the payroll process that may also allow us to have Thursday pay dates regardless of holidays, unless the holiday falls on a Thursday. In those cases the pay date is Wednesday. That is a goal that we will be working towards if possible, as we implement this new system next July.