I. PURPOSE: To identify and define policies and processes for properly calculating paycheck amounts and statutory dues and for paying employees on appropriate paydays.

II. POLICY: It is the policy of HHSC that paycheck amounts and statutory union dues shall be calculated correctly and that payrolls shall be processed for timely payments to employees in accordance with statutes and collective bargaining agreements.

III. PROCESSING: The workweek runs from midnight Sunday morning thru 11:59 pm the following Saturday night. Payroll will be process semi-monthly with pay periods ending on the 15th and the last day of the month. Pay checks are distributed on the 5th and the 20th of the month however, if the 5th or the 20th of the month falls on a weekend day or a holiday, pay checks will be distributed on the first workday (M-F) preceding the 5th or the 20th. There are two types of salaried employees – LAG and ATF employees. The payment of a salaried employee’s base salary pay (and salary differentials) is determined by their hire date. Those employees hired before July 1, 1998 are considered “LAG” employees while those hired on or after July 1, 1998 are considered “ATF” or “After-the-Fact” employees. For the pay period from the 1st through the 15th of the month, the LAG employees will be paid their base salary and salary differentials on the 20th of the same month. The ATF employees will receive their salary pay on the 5th of the following month.

To determine the hourly rate of a salaried employee, the calculation is as follows:

\[(\text{Monthly Salary} + \text{MonthlySalaryDiffs}) \times 12 / 2080 = \text{Employee's Hourly Rate}\]
Most salaried employees belong to one of two unions - Hawaii Government Employees Association (HGEA) or United Public Workers (UPW) – and as a result are required to pay statutory dues from each pay check. Union dues are calculated as a monthly value, with one-half of the calculated dues being deducted from the employee’s pay check.

VI. **AUTHORITY:** Regional System Boards are authorized to establish regional policies consistent with system policy.

V. **APPLICABILITY:** System payroll policies apply to all HHSC regions and facilities.