

**Swedish Medical Center
Biweekly Pay Cycle Conversion
Frequently Asked Questions
Updated 9-4-2012**

1. I am a Swedish Medical Center employee. How does this change affect me?

All Swedish Medical Center employees who are currently paid on a biweekly pay schedule will move to a new pay schedule. This change will move the current pay date forward by one week.

2. Why is this change necessary?

As part of our affiliation with Providence, we are aligning back-office administrative systems and structures to gain efficiencies and reduce the cost of care for the community. This includes the alignment of payroll calendars so that both organizations are on the same pay cycle. The benefits of standardizing payroll cycles include:

- A more systematic approach to payroll reporting
- More efficient and effective time reporting

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

No. This change applies to all Swedish Medical Center employees and Swedish Edmonds employees. SMG employees are not affected because their pay cycle is already aligned to the new schedule.

4. Does this mean I will start receiving a Providence paycheck?

No. Your check will still come from Swedish. However, the back-office processing of payroll is now being done by Providence

5. When will this change happen for Swedish Medical Center employees?

- Swedish Medical Center employees will receive their last pay check on the current pay schedule on Sept. 21. This check will include earnings for the pay period from Sept. 2-15.
- Employees will receive one week of pay to transition to the new pay schedule on Sept. 28. This check will include earnings for one week from Sept. 16-22.
- The first pay check on the new pay schedule will be on Oct. 12. This check will include earnings for the pay period from Sept. 23-Oct. 6.

6. Will benefits be deducted from the one-week paycheck?

Contributions for flexible spending accounts will be deducted in the usual pay-period amount for employees participating in the 2012 FSA program. In addition, 401k and 403b deductions will be calculated based on the percentage contribution elected by the employee and the actual amount of pay for that week. (Employees can adjust their 401 and 403b contribution in advance of the one-week paycheck. See question No. 10 for more information about this.) No other benefits will be deducted from the one-week paycheck for Swedish Medical Center employees.

7. Does this change how I report my time?

No. You will still use Kronos to report your time as before. However for the transition week of 9/16/2012 to 9/22/2012, you will need to edit and/or approve hours for that one week period before the following Monday, 9/24/2012. Then you will be back to editing and/or approving hours every two weeks.

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

No, you will still receive the same amount for accruals.

9. How will I be paid for holiday hours?

All employees will continue to be paid holiday hours the same way in accordance with applicable policy or bargaining agreements.

10. What if anything, should I do to prepare for this change?

We encourage you to review your personal finances to determine if any adjustments will be required in order transition to the new biweekly pay schedule. In preparation for the conversion, you may want to do or be aware of the following.

- Contact all creditors to adjust your automatic withdrawal or automatic bill-pay dates to better align with the new pay schedule
- Evaluate your YTD federal withholding needs and submit form W-4 changes via self-service as needed. This is an important step if you currently have an additional amount being withheld from your paycheck
- Because we are moving the pay schedule one week forward, the last week of December will be paid on Jan. 4, 2013, so pay for that week will be reflected in your W2 statement for 2013 as opposed to the W2 for 2012.
- Employees who participate in the 401k and/or the 403b and want to make contributions up to the federal limits should evaluate their YTD contribution amounts and consider increasing their contribution percentage in order to contribute to the federal limits
- If you participate in the 403b and contribute a flat amount, please be aware that amount will be deducted from the one-week paycheck. You may want to evaluate this and make any adjustments as needed.
- Take steps over the next four regular pay cycles to set aside cash if necessary to help bridge the transition to a new cash flow schedule.

11. Will I lose pay as a result of the change?

No, you will not lose pay. Employees will be paid timely for every hour worked. There is no gap in pay, and all earnings are accounted for. The only difference is that the new payroll calendar changes the timing of payment. Pay dates are moving forward by one week. But again, everyone will be paid correctly and timely.

12. Will salaried employees lose pay as a result of this change?

No. They will not lose pay as part of this change. It's important to note that annual salaries are based on the payroll calendar, not the calendar year. This is because bi-weekly pay cycles typically do not start on Jan. 1 or end on Dec. 31.

13. Will this change affect SMC's contribution to the 401K?

While there is a timing change at the end of the year, there will be no loss in contributions over time. The new pay cycle will result in SMC's 5 percent contribution to the 401k ending a week earlier in 2012 and starting a week earlier in 2013. But it will still cover all pay, as before, so the total 5 percent contribution will balance out in 2013. In addition, the 2 percent match will not be affected by this change because it is based on the amount employees choose to contribute.

14. Will this affect my ability to max out my 401k contributions?

No. Employees can still contribute the maximum amount to the 401k, as well as the 403b.

15. What if I pay some of my bills through the automatic bill pay?

If you have automatic bill pay set up for any regular expenses, for example mortgage or rent payments, car payments, credit card payments, student loan payments, etc., you will need to work directly with the appropriate financial institution(s) to change payment dates as needed.

16. Will I need to make any changes to my direct deposit?

No, if you currently have your pay sent to one bank account through direct deposit, you should not need to make a change. However if you have multiple bank accounts set up you may want to adjust the amount sent to each account - checking and/or savings - for the one week transition pay period from Sept. 16 to 22. For example, if you typically have a net pay of \$1,000 with \$500 deposited to savings and the balance deposited to checking, you may want to adjust the amount sent to checking and/or savings for this one week period. To adjust your Direct Deposit amounts, go to Swedish Online > Employee Self-Service > Direct Deposit > "Edit." Please make any changes to your Direct Deposit amounts prior to September 20, 2012.

17. I currently have a garnishment deduction. How will this pay schedule transition affect my deduction?

Garnishments will continue to be deducted in the same way as before. If you have a specific question about a garnishment payment, please contact the Payroll department for more information.

18. Can you provide me with a new payroll calendar so that I know what my payday will change to?

The new payroll calendar for the rest of 2012 is as follows:

	NEW PAYROLL CALENDAR			CURRENT PAYROLL CALENDAR		
	Pay Period	Full Time Hours	Paycheck Date	Pay Period	Full Time Hours	Paycheck Date
				7/22 - 8/4	80	10-Aug
				8/5 - 8/18	80	24-Aug
				8/19 - 9/1	80	7-Sep
				9/2 - 9/15	80	21-Sep
Last full pay period on current payroll calendar						
Transition week onto new payroll calendar	9/16 - 9/22	40	28-Sep			
First full pay period on new payroll calendar	9/23 - 10/6	80	12-Oct			
	10/7 - 10/20	80	26-Oct			
	10/21 - 11/3	80	9-Nov			
	11/4 - 11/17	80	23-Nov			
	11/18 - 12/1	80	7-Dec			
Last Pay Period of the year	12/2 - 12/15	80	21-Dec			

Example assumes Full-Time hours. Hours will vary for part-time employees.

19. I have other questions about this transition. Is there someone I can talk to directly?

Yes. You can contact the Payroll Department at:

- 1-855-234-2492
- SwedishPayroll@providence.org