

To: SMC All Staff

From: Cary Natiello, Director HR Business Partners & Labor Relations

Date: Aug. 9, 2012

Re: Swedish Medical Center Pay Cycle Change

As part of our affiliation with Providence, we have begun aligning our back-office administrative systems and structures to help gain efficiencies and reduce the total cost of care for the community. Payroll processing is one area where this is occurring.

We are aligning our payroll calendars, so that both organizations are on the same pay cycle. This means regular pay dates will be changing for Swedish Medical Center and Swedish/Edmonds employees. SMG employees are not impacted because their biweekly schedule is already aligned to the new pay calendar. Please review the attached FAQ to familiarize yourself with the details of the change.

Key dates to be aware of are as follows:

- The last paycheck on the current schedule will be Friday, Sept. 21. This check will include earnings for the pay period from Sept. 2-15.
- To bridge the transition, employees will receive one week of pay on Friday, Sept.
 28. This check will include earnings for one week from Sept. 16-22.
- The first paycheck on the new schedule will be Friday, Oct. 12. This check will include earnings from Sept. 23-Oct. 6.
- Thereafter, the pay dates will be every other Friday.
- Employees will continue to be paid via the direct deposit account they currently have on file with Swedish.

See chart at the end of this memo to view the new payroll calendar.

Please be aware that 401k and 403b contributions will be deducted from the one-week paycheck unless otherwise adjusted. Flexible spending account contributions will also be deducted. However, no other health or voluntary benefits will be deducted from the one-week paycheck for SMC employees.

Because many personal bill payments and other obligations are based on the current schedule, we encourage all employees to take the time to plan for the change. For example, employees may want to:

- Change payment dates as needed for automatic withdrawal or automatic bill-pay dates to better align with the new pay schedule
- Evaluate year-to-date federal withholding needs and make W-4 changes as needed

- Evaluate year-to-date 401k contribution needs and make any contribution changes as necessary for those who plan to max out 401k contributions to the IRS limits
- Evaluate your 403b contributions. If you participate in the 403b and contribute a
 flat amount, please be aware it will be deducted from the one-week paycheck
 unless you make an adjustment in advance. In addition, if you are trying to max
 out your contributions, you may want to change your contribution to a
 percentage.
- Take steps over the next four regular pay cycles to set aside cash if necessary to bridge the transition to a new cash-flow schedule

Payroll Department

As part of the effort to align back office functions with Providence, payroll administration is now being provided by Providence Strategic Management Services. The paychecks are still from Swedish, and employees are still employed by Swedish; however payroll processing is being administrated by Providence.

Contact Information

The new contact information for payroll is:

Payroll Department: 1-855-234-2492Email: SwedishPayroll@providence.org

The New Payroll Calendar for the Rest of 2012

	NEW PAYROLL CALENDAR		
	Pay Period	Full Time Hours	Paycheck Date
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

CURRENT PAYROLL CALENDAR				
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		

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