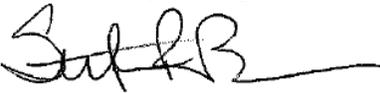


TO: All Human Resource Directors for Agencies
Serviced by the
Bureau of Commonwealth Payroll Operations

FROM: Stephen R. Burns 
Director
Bureau of Commonwealth Payroll Operations

DATE: October 31, 2019

RE: BCPO Memo #19-03, Twenty-Seven Pay Dates in 2020 for Pay Areas Z3 and T3

In the 2020 calendar year, there are 27 biweekly pay dates for employees who work in Pay Areas Z3 and T3. The regular pay date of Friday, January 1, 2021 is a holiday; consequently, the pay date has been changed to Thursday, December 31, 2020.

This occurrence does not affect the deductions for taxes, medical hospital, union dues, garnishments, retirement deductions, etc., since these deductions are based on a percentage of income, or a fixed biweekly amount. However, please note the following for the 27th pay date:

- SECA deductions will automatically stop.
- Deferred Compensation - An employee who did not reach the maximum amount for deferred compensation based on the deferral limits for 2020 will have a deduction.
- Local Services Tax deductions will be evenly spread out over all the pay dates for the calendar year. For example, if an employee works in a municipality where the Local Services Tax is \$52.00 per year, the employee would normally receive a \$2.00 deduction for 26 pay periods to fulfill their annual liability. For 2020, employees in Pay Area Z3 and T3 will have 26 deductions at \$1.93 and the 27th deduction will be at \$1.82 with a limit of \$52.00.

Affected employees will notice an increase in their taxable earnings and taxes for the 2020 tax year due to the 27th pay and should budget accordingly. If you have any questions, please contact Sandra Colantuono of my staff at (717) 783-9055.

cc: Brian T. Lyman, Chief Accounting Officer, Office of the Budget
Reid Walsh, Deputy Secretary for Human Resources and Management
Lisette Lindsay, IES Business Operations HR Manager
Bureau Directors (5)