

# ALERT

## Will you have 27 pay periods in 2010?

*Companies whose first payday of 2010 falls on January 1<sup>st</sup>, and whose pay periods are every other week, are directly affected*

It is a simple matter of math that is affecting standard pay periods in 2010. If your company is on a **bi-weekly pay schedule**, and the first scheduled payday for 2010 falls on **January 1<sup>st</sup>**, you will need to adjust your employees' gross wages per pay period for salaried employees.

The adjustment is minor and easy to compute. Salaried employees' annual compensation will need to be divided by 27 - not 26. Only if your first payday in 2010 is January 1st, will this directly affect you. If you are on this pay schedule, there will be three months with three pay periods in them - January, July and December. Without making the adjustment, salaried employees would be paid more than their annual compensation.

Employee education will be crucial to ensure they understand they are not receiving less in total, but their paychecks will be slightly lower per pay period in order to account for the extra payday.

Please note if your first payday does not fall on January 1st, *you are not affected*.

For further clarification, or if you need assistance, please contact your LBA professional at 904.396.4015.

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