

## Pay Area Decisions in SAP

### Background

Purdue will establish four payroll areas for implementation of the new system. Pay areas are as follows:

*Biweekly (BW)*: This pay area will process payrolls on a biweekly basis. In general, this pay area will be used for positive pay (or non-exempt) staff.

*Fiscal Year (FY)*: This pay area will process payrolls at the end of each month for the entire fiscal year. In general, this pay area will be used for negative pay (exempt) staff paid on the fiscal year calendar.

*Academic Year (AY)*: This pay area will process payrolls at the end of each month for the academic year only. In general, this pay area will be used for negative pay (exempt) staff paid on the academic year calendar.

*Non Pay (NP)*: This pay area will not process payrolls. In general, this pay area will be used for staff who do not receive pay.

As employees are assigned to positions, the enterprise structure values stored on the position will default the appropriate pay area. An employee will inherit the defaulted pay area unless the HR Processor overrides the pay area.

In SAP, an employee can be paid in only one pay area. For staff with concurrent employment, the pay area selected for the employee must be consistent across all appointments held by the employee. A decision process must be developed to ensure consistent pay area processing when an employee holds multiple positions that are normally paid on varying pay areas.

### Decision Process

Review the benefits eligibility and exemption status for all positions held by the employee. Use the attached chart to determine the appropriate pay area.

### General Rules

1. Any employee holding a non-exempt/benefits eligible position with any other type of position will **always** be paid on the Biweekly pay area. This means that all other positions must be reclassified as non-exempt with an hourly rate to facilitate payment on the biweekly pay area.

*Change Issue*: Today, employees may receive their pay on both the biweekly and monthly payrolls. In the future, employees holding any combination of a Non-Exempt/Benefits eligible position with a monthly position will have their pay moved 100% to the biweekly cycle. Their previously exempt position will now be subject to hourly time entry and overtime. Employee impact & Department impact.

2. Any employee holding an academic year exempt appointment with a fiscal year exempt appointment will need to be paid on the Academic pay area.

*Change Issue:* Departments will need to understand this concept.

3. Any employee holding an exempt appointment with a non-benefits eligible/non-exempt appointment will need to be paid on the monthly or academic pay area.

*Change Issue:* Today, employees may receive their pay on both the biweekly and monthly payrolls. In the future, any employee holding an exempt appointment with a temporary hourly appointment will receive 100% of their pay on the monthly or academic pay area. Employee impact & Department impact.