

Human Capital Management Policy & Practice Changes: Benefit Effective Date, Employee Benefits, Personal Services Form Processing (PSF)

As Georgia Tech transitions to [OneUSG Connect](#), Human Resources is reviewing its human capital management (HCM) policies and practices.

Benefit Effective Dates

Beginning July 2017, the benefit effective date for newly hired or newly benefits-eligible employees will be based on hire date. Benefits will be effective on:

the date of hire	IF	hired on the first day of the month (e.g., July 1 or Aug. 1)
the first day of the following month	IF	the hire date is any day other than the first (e.g., July 2 or Aug. 13)
If you want	new employee to have full benefits on their hire date ,	select the first calendar day of the month as their hire date.
If you want	new employee to start any day after the first calendar day of the month,	their benefits will be effective the first calendar day of the following month.

A Note about Holidays

Some holidays such as New Year's Day and Labor Day may fall on the first calendar day of the month. If so, the employee may be hired on the first and be able to enroll in benefits. However, they will not be eligible to receive pay for the first since an employee must be in active pay status **the day before and the day after the holiday** in order to receive pay for the holiday.

A Note about Termination Dates:

Benefit effective dates can impact terminating employees, potentially resulting in:

- An employee owing benefit premiums
- Benefit coverage not prorated
- An employee not having enough wages to cover benefit premiums

Variable Full Time Equivalency (FTE %) – Percent Toggling

Our policy and plans (as of 2012) offer benefits to employees who work at least 30 hours per week. However, practices were identified that enabled benefits to employees working less than 30 hours per week. Such practices require manual “override” flags set in the HCM PeopleSoft application. The practice is selective and not uniformly applied.

Most Prevalent Cases:

- Research Faculty and Post Docs where effort is required to continue research and either there is either limited funding or a “bridge to funding” is required.
- Part-time Faculty Lecturers affected by class reductions or consolidations.
- Conflicts of interest.
- Faculty on partially subsidized leaves of absences.

GTTHR will no longer perform this “override.” Employees currently working less than 30 hours and receiving benefits will either need to have their percent time worked increased or end benefits.

Employees no longer eligible for benefits will receive a COBRA offering for extended benefits. Proactively, offer letters should contain pertinent information for positions that benefits may be impacted by reduced work time due to funding.

Timely Processing of Personal Services Forms (PSF)

Understanding the Risk Factors of Backdating Effective Dates

It is a best practice to timely and accurately post transactions at the beginning of the employees next pay period whenever practical. Doing so protects our employees from adverse benefit and financial conditions. Timely and accurate transactions also alleviate potential risks to the department and Institute, such as non-compliance with employment and tax laws, negative financial impact to project budgets, and vendor relationships.

Backdating PSF impact on employees:

- **Salary and benefit overpayments:** Untimely ending of benefits due to termination may result in employee collections and financial impact to institute. Additionally, if an employee works at least one day in the month in which they separate, terminate, or retire from the Institute, they will owe the full month of benefit premiums and the balance can be taken out of vacation balance. A collection effort will initiate for any remaining balance.
 - **Benefit adjustments:** An employee's paycheck is impacted with arrears deductions often resulting in aggregated amounts required to catch up contributions for the pay cycle(s) in which the action should have occurred.
 - **Untimely Pay Rate Changes:** Receipt or suspension of a late paycheck from interim pay, temporary pay, transfers, promotions/demotions, pay group changes, etc. may result in benefit arrears.
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Recommendations

- Have timely discussions within your department that include all levels (budget [Cost Center Report], HR contact, GT Trax).
 - Allow time for the PSF to receive all required approvals before it arrives at GTHR.
 - Select a date that is at the beginning of the next pay cycle so that it can be fully approved prior to the applicable PSF payroll cutoff date.
 - **Engage** Human Resource Information Processing (**HRIP**) **early on** if you foresee a challenge or need direction.
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Please continue to use the [payroll calendars](#) for PSF cutoff dates as a reference, and email pay.ask@ohr.gatech.edu or hrip@ohr.gatech.edu with questions.