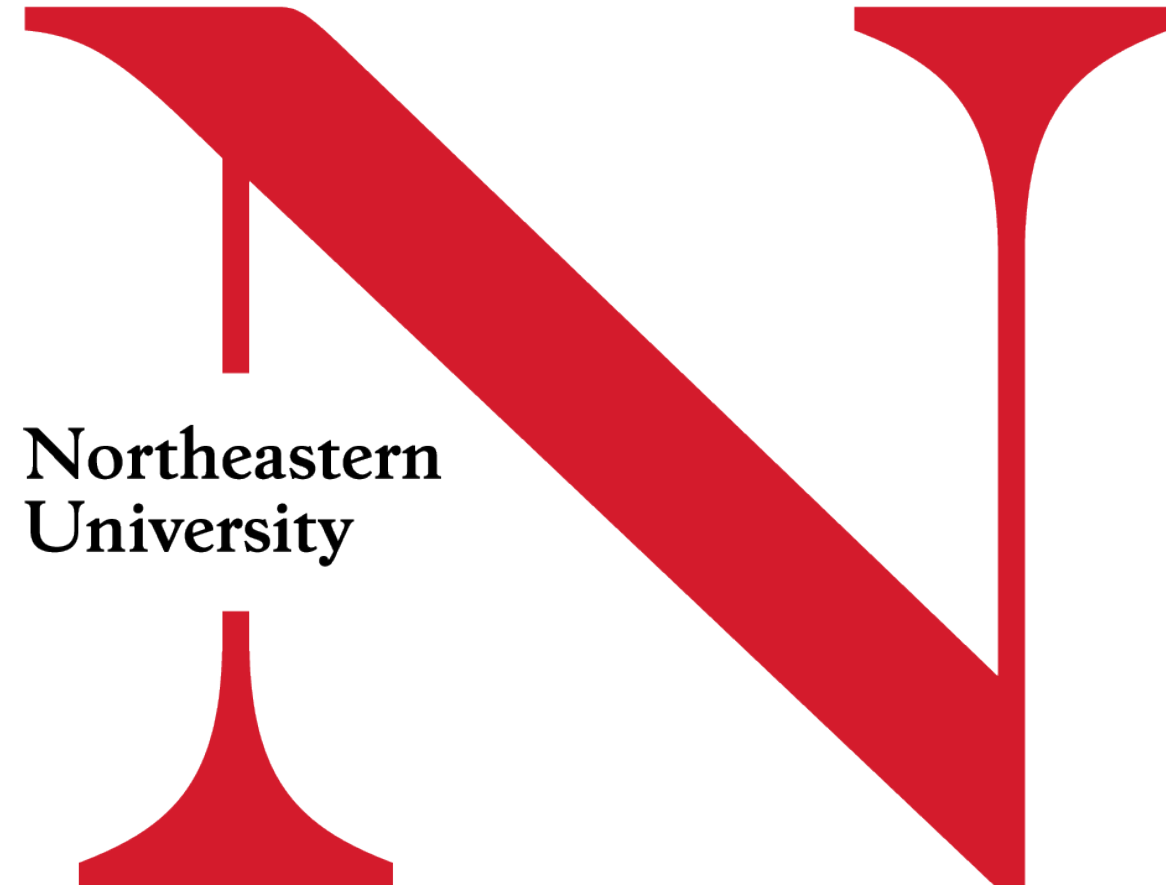


Changes in Paid Leave Charges

August, 2023



Northeastern
University

Summary

Previously charges due to certain paid leaves were expensed directly to grants or operational funds. This would reduce the amount of available funds for the PI to spend on their projects as paid leave is an allowable expense on grants.

During the last negotiations, certain paid leaves were incorporated into the fringe pool starting FY24. This change will provide additional resources to the projects that would be otherwise tied up for salary. These costs can now be charged to a university fringe pool instead.

Who is impacted?

- This change is only applicable to Full-Time, fully benefited employees who are charged to research (ledger 5).
- Employees who currently have the full fringe rate of 25.9%, are eligible to have their leave pay move from the grant fund to the central pool. It would only be the portion that would normally be allocated to the grant.
- An example would be employees such as research scientists and staff would be eligible.

Leave Types

- Most of the leaves are included in this process (family, medical, personal, parental, intermittent medical, etc.)
- The leaves that are **NOT** included in this process:
 - Administrative Leave
 - Sabbatical
 - Professional Leaves
 - Non-Tenure Track – Fellowship
 - Teaching Relief
- Please consult with leave coordinator and RF with questions on leave type

Basic process

- Employee fills out the Workday form to request leave
- Once the leave request is approved by the leave coordinator, the coordinator updates the pay component to “leaves”
- The leave coordinator updates the costing allocations for that leave pay component to reflect the change on the research portion to the central fringe pool
- The costing allocation is based on the leave start date. Even the leave request was approved after the fact, the Workday will reallocate the pay based on the leave start date
- Once the leave ends, the employee’s pay reverts back to their regular earnings. The previous costing allocation will then pick back up

Monitoring

- During your PI meetings, discuss this new process so you can be on the look out if there are charges that should not be on the project.
- Department Admins should track the leaves for the employees and monitor their leave pay charges as well.
- Some sponsors may require prior approval/notification if key personnel are absent from the project for extended periods. This may trigger an effort reduction request.
- When an employee returns from a leave, it is important that their cost allocation is reviewed as it will revert back to the distributions that were set up prior the their leave. The distributions may be outdated.
- The PDC can be submitted at any point. No need to wait till the employee returns from a leave, the new allocations can be entered into WD and system will pick it up as needed once the pay turns back to regular pay.
- NU-RES will monitor to ensure that employees with applicable leave pay will be charged to the right index/account code and only qualified amounts are charged to the pool.

Scenario 1: Regular leave request

Employee Avery requests a medical leave from 9/1/2023 to 10/31/2023 on July 24, 2023. Employee is 30% operational / 70% research. PI and Department Admin have not discussed these up coming changes.

- ❖ HR Leave coordinator approves the leave on 8/14/2023, makes necessary changes to the employee's record.
- ❖ When the leave begins, Avery's salary will no longer be labeled "regular" pay, their new pay component is identified as "leave". When this happens those costs will be charged to the central pool instead.
- ❖ Once Avery returns to work 11/1/2023, the costing allocation will revert back to prior distributions.

Scenario 1 – Costing Distribution

Pay Component	Prior to Leave	On Approved Leave		Return from Leave
	Regular Pay 8/31/2023 and prior	Leave Pay 9/1/2023	10/31/2023	Regular Pay 11/1/2023 and after
FUNDS				
220123	30%	30%		30%
597123-ends 6/30/24	25%	0%		25%
500123-ends 9/30/23	45%	0%		45%**
<i>CENTRAL POOL</i>	<i>N/A</i>	70%		<i>N/A</i>
Total	100%	100%		100%

****When Avery returns her salary is going to charge to an expired project. The admin should review the distribution prior to Avery’s return and submit a PDC if changes are needed to change the costing allocation.**



Scenario 2: After the fact request

Employee Andy requests a family medical leave from 10/9/2023 to 12/1/2023 on 10/12/2023. Employee is 40% operational / 60% research.

- ❖ HR Leave coordinator approves the leave on **10/23/2023**, makes necessary changes to the employee's record.
- ❖ When the leave begins, Andy's salary will no longer be labeled "regular" pay, their new pay component is identified as "leave".
- ❖ The pay period from **10/8/2023-10/21/2023** was processed as regular pay because the leave was not yet approved, and therefore charged to the research project.
- ❖ Once the leave is approved on **10/23/2023**, Workday will retroactively remove the regular pay by crediting the salary and reprocess it as leave pay. The leave pay will then distribute the research portion to the central pool. Andy will not be impacted by the change from regular to leave.
- ❖ The salary going forward will be correctly charged to central fringe pool for the remainder of the leave period.
- ❖ Once Andy returns to work **12/4/2023**, the costing allocation will revert back to prior distributions.

Scenario 2 – Costing Distribution

Pay Component	Prior to Leave	On Leave Before Approved	On Leave After Approved		Return from Leave
	Regular Pay 10/7/2023 and prior	Regular Pay 10/8/2023-10/21/2023	Leave Pay 10/22/2023	Leave Pay 12/1/2023	Regular Pay 12/4/2023 and after
FUNDS					
222123	40%	40%	40%		40%
555123-ends 9/30/24	60%	60%	0%		60%
CENTRAL POOL	N/A	N/A	60%		N/A
Total	100%	100%	100%		100%

Once The Leave Got Approved on 10/23/2023	
Regular Pay	Leave Pay
10/8/2023- 10/21/2023	10/8/2023- 10/21/2023
-40%	40%
-60%	0%
N/A	60%**
-100%	100%

Pay Component
FUNDS
222123
555123-ends 9/30/24
CENTRAL POOL
Total

****Workday will retroactively remove the regular pay by crediting the salary and reprocess it as leave pay.**

Key Takeaway

- The employee requesting the leave does not need to do anything for the new process, change will be done in the back end only.
- This process only applies to Full-Time, fully benefited employees who are charged to research (ledger 5).
- Be aware of potential prior approval requests or notification to the sponsors for key personnel absences.
- Only leaves that are processed through the HR leave coordinator are eligible.
- It is important to review the salary cost distribution to ensure it is still accurate upon their return. If PDC is required for the salary distribution, a PDC can be submitted right away, no need to wait for the employee's return.



Questions?

