

THE PAYLINE-SPECIAL EDITION

The FAS Payroll Newsletter

January 2023

This special edition of the *Payline* contains important information regarding involuntary terminations and final paychecks.

As mentioned in the communication sent out on January 5, 2023, **effective immediately**, please use the process outlined below for providing final paychecks to staff who are terminated **involuntarily (including term positions)**.

Employees who are involuntarily terminated must receive their final paycheck, including accrued/unused vacation, on their last date of employment. Harvard's payroll, however, does not have the flexibility to reliably provide someone with that final paycheck on short notice. As a result, FAS will be following the process outlined below.

This new process recommends, whenever possible, coordinating the employee's **last day of employment** with the **regular payroll cycle**. Because Payroll will need to manually add the last week of pay to the final paycheck it is important to follow the **schedule** outlined in the attached guidance. This means that departments will need to pay someone who is involuntarily terminated beyond their *last day of actual work* so that the *last date of employment* coincides with the next paycheck. (In some cases, this *could* mean paying the someone for an additional three weeks.) Hopefully, departments will have salary savings to cover this additional time.

Final Paycheck Process for Involuntary Terminations

Overview

Effective immediately, in cases when a staff member's employment is being ended involuntarily, Harvard must provide the employee with a final paycheck, inclusive of wages and vacation, on their last day of paid employment. To ensure proper notification to employee and compliance with labor laws, the **final date of employment for an involuntary termination will now be coordinated with the regular paycheck date. Off cycle FINAL paychecks are only available under exceptional circumstances.**

When Harvard Decides Not to Extend or Reappoint Term Appointments: Appointments that are set to end on a specific agreed upon date and are not being renewed **are also considered involuntary terminations**, unless the employee resigns, such as to return to school/relocates. (In the case of a resignation at the end of the term, the department is reminded to obtain a resignation letter from the employee.)

Biweekly Employees who are being involuntarily terminated will be **paid out with their next [regularly scheduled paycheck](#)**. (There may be circumstances when this **payout would occur in advance of the last day of paid employment**, such as for Term Appointments with end dates that do not fall on a regular pay date. Therefore, per the [FAS Payroll Key Internal Controls](#), departments *must monitor term appointments monthly that end involuntarily* and should coordinate the final paycheck with their HR Consultant.)

If there are questions about whether a termination properly falls under the definition of “involuntary”, departments should contact their HR Consultant.

Process Flow

Notification Date to Employee

- Dept/HR informs the employee no later than the Wednesday *of the week prior* to the last day of paid employment (date of final [regularly scheduled paycheck](#)).
- This is to avoid the employee inadvertently seeing the final paycheck amount ahead of time in self-service of the regularly scheduled paycheck.
- If appropriate, upon notification the employee should be relieved of their duties and placed on Paid Administrative Leave. (Departments are reminded to return the employee from leave before they can be terminated in Aurora.)

Time/Absence Reporting & Approvals

- By Friday 12:00 p.m. *of the week prior* to the last day of paid employment

Aurora Actions Completed

- By Friday 12:00 p.m. *of the week prior* to the last day of paid employment.
- The Aurora termination action must be fully approved through “Back Office Final” and include any absence balances. Dept/ HR should confirm that absence requests and accruals have been fully accounted for in the final vacation balance. (Vacation accrues in the middle of each month- refer to [Payroll Calendar](#) for dates.)

Date of Final Paycheck

- The last day of paid employment will always be a Friday [regularly scheduled paycheck](#) and the employee must receive the wages and vacation due on this date. Paycheck will be issued via regular payment method designated by employee.

Sample Involuntary Termination Timeline (See calendar below):

- Department has determined that an employee will need to be terminated due to performance reasons on Monday, 1/16.
- Department notifies the employee on Wednesday, 1/18, informing Employee that they are being relieved of their duties on Wednesday 1/18; their last paid day of employment will be Friday, 1/27 (next regularly scheduled paycheck); all wages/vacation due will be included in that last paycheck.
- Dept/HR will ensure all time and absences used and accrued between Sunday 1/15 through Friday 1/27 are entered and fully approved by 12pm on Friday, 1/20. (Vacation

requests for days after the individual's last day actively working can be cancelled and included in the vacation payout.)

- Dept/HR will process the Aurora action for Involuntary Termination for all Back Office approvals to be completed by 12pm on Friday, 1/20.
- FAS Payroll will process the request on Monday 1/23, to ensure that Central Payroll captures all payments due to terminating employee on Tuesday 1/24 during the Open/Close period.
- Regularly scheduled biweekly paycheck, inclusive of vacation due, will occur on 1/27 for the terminated employee.

Sample January 2023 Calendar with termination process

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
16	17	18	19	20
Department determines involuntary termination will occur.		Department notifies the employee of termination and what their last paid day of employment will be.		1) Department/HR ensures all Time/Absence reporting/approvals through 1/27 are completed by 12pm. 2) Department/HR processes/approves Aurora termination action by 12pm.
23	24	25	26	27
FAS Payroll will process the termination request and monies to be paid out to ensure Central Payroll captures all payments due.	Central Payroll processes the payments due to the terminating employee.		If the employee does not have direct deposit, department must provide Central Payroll with a FED-X information to <i>overnight</i> a check to the terminating employee.	Last day of paid employment and funds are dispersed by direct deposit.

Important Note: These days may change due to University Observed Holidays. Please refer to the Central provided [Payroll Calendar](#) for all time/absence/payroll processing dates.

Aurora Business Process: [Dept HR PR Aurora INV Term Process](#)

Contact Us

Please contact your HR Consultant or your HR or Payroll Coordinator if you have any questions.