

Exempt Employee Compensation Policy in 27-Pay-Period Years

Purpose

To establish a consistent and equitable method for compensating exempt (salaried) employees in calendar years that contain 27 biweekly pay periods, ensuring employees receive their full annual salary while maintaining fiscal integrity and payroll accuracy.

Scope

This policy applies to all exempt (salaried) county employees paid on a biweekly payroll schedule.

Background

The County operates on a biweekly payroll system, which typically results in 26 pay periods per calendar year. However, due to the structure of the calendar, a 27th pay period may occur in certain years. Generally, this occurs every 11 years.

Policy Statement

In any calendar year that includes 27 biweekly pay periods, the annual salaries of exempt employees shall be distributed evenly across 27 pay periods, rather than 26, so that employees receive their full approved annual salary, with no increase or decrease in total compensation.

Procedures

1. Salary Calculation

- During a 27-pay-period year, each exempt employee's annual salary will be divided by 27 to determine the biweekly pay amount for that year.
- In standard years, salaries will continue to be divided by 26.

2. Implementation Timing

- Payroll adjustments will take effect at the beginning of the calendar year in which the 27th pay period occurs.
- The adjusted biweekly rate will remain in effect for the entire calendar year.

3. No Change to Annual Salary

- This adjustment does **not** change an employee's approved annual salary, pay grade, or exempt status.

- The adjustment solely affects the distribution of pay across the number of pay periods in the year.

4. Communication

- Human Resources and the Payroll personnel in the Finance Office will provide advance notice to affected employees prior to the beginning of a 27-pay-period year.

Compliance

This policy complies with applicable federal and state wage and hour laws governing exempt employees. Because exempt employees are compensated on a salary basis, adjusting the pay distribution across pay periods does not affect exempt status.

Administration

The Human Resources Department, in coordination with Payroll, is responsible for administering and enforcing this policy.

Effective Date

This policy is effective upon adoption and shall apply to all future calendar years containing 27 biweekly pay periods. *However, due to timing, salaried employees were given the option to do either 26 or 27 pay periods in 2026 only.*

Adopted this _____ day of January 2026.

Chairperson, Brookings County Commission