

## Frequently Asked Questions (FAQs) – Pay Frequency Change

### 1. What is changing with our pay schedule?

We are transitioning from a biweekly pay frequency (paid every two weeks, 26 pays per year) to a semi-monthly pay frequency (paid twice per month, 24 pays per year). The new pay dates will be the 9th and 23rd of each month.

### 2. When does the new pay schedule start?

The first semimonthly pay date will be January 9, 2026.

### 3. What does this change mean for regular exempt and regular nonexempt employees?

This change means your annual salary will be divided by 24 pay periods instead of 26. For example: If your annual salary is \$50,000 per year, with a biweekly pay frequency, your annual salary divided by 26 payments, is \$1,923.08 per pay period. With a semi-monthly pay frequency, your annual salary, divided by 24 payments is \$2083.33 per pay period.

**The last bi-weekly pay date is 12/18/2025.** You currently receive 1/26<sup>th</sup> of your annual salary (annual salary divided by 26). As of 12/18, all regular exempt and regular nonexempt employees will have been paid their full 2025 annual salaries.

**The first semimonthly pay date is 01/09/2026.** You will receive 1/24<sup>th</sup> of your annual salary (annual salary divided by 24).

### 4. How does this impact hourly/nonexempt employees timecard reporting?

Hourly and regular nonexempt employees are still required to report their hours worked in Workday. Starr's workweek continues to be Monday through Sunday and exception hours (i.e. overtime) will continue to be calculated each week per FLSA guidelines and paid on subsequent pay dates. For example:

**For the Dec 18, 2025,** pay date (last biweekly pay date of 2025), the exception hours will be paid for the following dates:

- 11/24 – 12/7

**For the Jan 9, 2026,** pay date (first semimonthly pay date of 2026), the exception hours will be paid for the following dates:

- 12/8 – 12/21 AND
- 12/22 – 12/31

The 2026 payroll calendar will be released later this year and, training will be offered to review the schedule of timecard updates and the impact to your payroll.

**5. Why are we making this change?**

The new schedule provides more predictable pay dates, better alignment with monthly expenses and benefits, and simplifies payroll processes to match accounting and financial reporting cycles.

**6. Will my annual salary or hourly rate change?**

No. Your total annual compensation will remain the same. However, your gross pay per paycheck will be slightly higher because your salary will be divided over 24 pay periods instead of 26.

**7. Will this affect my benefit deductions?**

Yes, like the increase in your gross pay, premium deductions for benefits (medical, dental, vision, etc.) will increase as they will be spread across fewer pay periods. The same change will impact your 401(k) contributions as they will be a percentage of a higher base salary per pay period so these contributions will change as well.

**8. Will this affect my tax withholding deductions?**

Yes. Workday, using your current federal, state and local (if applicable) withholding forms will automatically calculate your tax withholdings based on your withholding elections and a semi-monthly pay frequency. If you have elected “additional amounts” to be withheld on your federal or state withholding forms, you should review your withholding elections and update your forms, if needed.

**9. Will this affect my direct deposit elections or access to pay stubs?**

No changes are expected to your direct deposit setup or how you access your pay statements. However, if you have specific net pay amounts going to more than one bank account, you should review your direct deposit payment elections and make updates, if needed.

**10. What happens if a pay date falls on a weekend or holiday?**

- If a pay date falls on a Saturday, you will be paid on the Friday prior.
- If a pay date falls on a Sunday, you will be paid on the following Monday.

**11. How can I plan for the change in pay frequency?**

Later this year, we will provide a pay calendar showing the new pay periods and pay dates. This will help you plan for recurring expenses and budget accordingly. Review your personal banking and be sure to align automatic debits from your bank account accordingly.

**12. Who can I contact if I have questions or need help?**

Additional materials and training will be provided as we approach the transition. For additional questions and support, please contact [payroll@starrcompanies.com](mailto:payroll@starrcompanies.com).

**13. Where can I find more information?**

Look out for additional communications, training sessions, and resources in the coming months. You can also reach out to [payroll@starrcompanies.com](mailto:payroll@starrcompanies.com) for specific questions.