

# Sysco Payroll Schedule Changes

## Frequently Asked Associate Questions

As of July 13, 2021

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This document is intended to answer questions asked frequently by associates impacted by the upcoming pay schedule changes.

**PLEASE NOTE:** You may find that not every question in this document applies to you, in which case please disregard. If you are unsure if a question and its answer pertains to you, or if you do not see your question, please reach out to your local HR representative.

This document will be updated as new questions arise - please check back for additional information.

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### 1. Why are we making this change?

Sysco is standardizing pay schedules to ensure more efficient and accurate payroll processing for all U.S. associates. This change will simplify our Payroll infrastructure, bring alignment across the enterprise, and improve the overall associate experience.

### 2. Are all associates impacted by this change?

No, not all associates are impacted. If you are currently paid every other Friday and receive paychecks on these dates (i.e. June 25, July 9, July 23, Aug 6, Aug 20, etc.), you will not be impacted. If you are an **hourly** associate paid weekly on Fridays, you will not be impacted.

Otherwise, you will experience a change. Reach out to your local HR leader to understand the specific change impacts for you.

### 3. What can I do to prepare for the change?

Sysco is communicating this change to associates in many ways. Please thoroughly review all emails, linked job aids, and mailed documents you receive to ensure awareness of how this change impacts you. If you have additional questions or do not receive the information, please reach out to your local HR leader.

### 4. Will this change impact my rate of pay?

No, associates' base pay rates will not be impacted due to pay schedule changes.

### 5. Will this change impact my benefits deductions?

Your benefit coverage will not be impacted by this change.

If you are currently on a **weekly** pay schedule and are moving to a biweekly pay schedule, your deductions will double.

If you are currently on a **biweekly** pay schedule and are moving to alternate Friday pay dates, most of your deduction amounts will remain the same; however, some specific deductions such as 401K loan repayments, Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) (i.e., Health Care, Dependent Day Care and Limited Use FSA) have payment schedules or annual contribution goal amounts, and these will be recalculated where needed.

**Important Note:** *This recalculation may result in increased amounts for those deductions for the remainder of 2021 to ensure you still reach your annual contribution goal amount.*

If you wish to change your HSA or FSA annual contribution goal amount, log on to the Total Rewards Café via [syscobenefits.com](https://syscobenefits.com) or contact the Sysco Benefits Center at 1-800-55-SYSCO.

## 6. Will this change impact my tax deductions (federal tax, FICA & Medicare)?

If you are currently on a **biweekly** pay schedule, your tax calculations will not be impacted by this change.

If you are currently on a **weekly** pay schedule and are moving to a biweekly pay schedule, your tax amounts will increase based on the new pay frequency. See example calculations below.

*Weekly Salaried Example:* A **salaried** associate who is paid weekly, working in Texas, using the IRS 2021 Form W-4 claiming single, working one job, with zero amounts for dependent, no other income or deductions, no extra withholding, and assuming no benefit deductions, with a weekly Gross Pay of \$1,000 will have the following taxes withheld:

Paycheck Results	
Gross Pay	\$1,000.00
Federal Withholding	\$87.21
Social Security	\$62.00
Medicare	\$14.50
State	\$0.00
Net Pay	
Net Pay	\$836.29

**Biweekly Salaried Example:** The same **salaried** associate is now paid biweekly, working in Texas, using the IRS 2021 Form W-4 claiming single, working one job, with zero amounts for dependent, no other income or deductions, no extra withholding, and assuming no benefit deductions, with a biweekly Gross Pay of \$2,000 (\$1,000 x 2 weeks) will have the following taxes withheld:

Paycheck Results	
Gross Pay	\$2,000.00
Federal Withholding	\$174.42
Social Security	\$124.00
Medicare	\$29.00
State	\$0.00
Net Pay	
Net Pay	\$1,672.58

## 7. Will I need to make any changes to my taxes or withholdings?

If you elected an additional withholding amount on your W-4, it is recommended that you review your tax elections and consider updating them, if needed. For example, if you are currently on a weekly pay schedule and are moving to a biweekly pay schedule, you may want to increase your additional withholding amount.

Please reference the [managing your pay](#) job aid for instructions on how to update your tax withholdings.

## 8. Will this change impact my withholding order deductions (e.g., child support)?

**If your withholding order deduction is calculated as a percentage of your earnings**, and you are currently on a **weekly** pay schedule moving to a biweekly pay schedule, your deduction amount will increase based on your increased per paycheck earnings; however, the deduction is still limited to the maximum per pay period amount based on federal and state regulations.

If you are currently paid **biweekly** and are moving to alternate Friday pay dates, your percentage-based withholding order deduction will continue to be calculated based on your per paycheck earnings.

**If your withholding order deduction is based on a fixed monthly amount**, and you are currently on a **weekly** pay schedule moving to a biweekly pay schedule, your deduction amount will be recalculated to align with your new pay schedule (e.g., a \$100 weekly deduction would be recalculated to a \$200 biweekly deduction).

If you are currently paid **biweekly** and are moving to alternate Friday pay dates, your amount-based withholding order deduction will not change.

### **9. Will my 401k deductions change?**

No, as 401k contributions are based on a percentage of earnings. If you selected your contribution percentage based on your previous pay schedule and expected pay dates, in accordance with annual IRS limits, you may want to review and consider updating your 401k or catch-up contribution elections at Fidelity.

### **10. Will this change impact my direct deposits?**

No, your direct deposit elections will not be impacted by this change. Though you may be moving to a new pay schedule with different pay dates, your regular paychecks will be deposited into your same account(s).

If you are currently on a **weekly** pay schedule moving to a biweekly pay schedule, you may wish to review and adjust any flat amount direct deposits you have set up in Workday.

### **11. What if I pay some of my bills through automatic withdrawal?**

If you have any automatic withdrawals or have scheduled bill-payments in place for recurring expenses such as mortgage payments, student loan payments or car payments, it is recommended that you work directly with your financial institution(s) to change payment dates as needed based on your new pay schedule.

### **12. What happens if a pay date falls on a holiday?**

If a pay date falls on a holiday, associates will be paid on the previous business day.

### **13. What happens if I transfer, have a leave of absence or experience another change to my work or pay during this transition?**

If you experience a change in job or pay between now and mid-August – due to a transfer, promotion, leave of absence, etc. – please check in with your local HR leader about what it means for your changing payroll schedule.

### **14. What is the optional payroll advance? How does it work?**

To minimize personal disruption during this period of change, **Sysco is offering an optional, one-time payroll advance to associates moving from weekly to biweekly or moving from being paid current to being paid in arrears (Corporate and SBS associates only)**. If you are one of these associates, an email was sent to you with details on how to accept the payroll advance.

**Important Note:** If you are in the group of impacted associates offered the optional payroll advance, you must elect to receive it by July 23 using the link provided to you by email. You **cannot** change your election once you click 'submit.' No action on your part means you will not receive the advance.

If you elect to receive the advance, it will be offered as a one-time payment in the interim between your current pay schedule and your future pay schedule. This advance payment from Sysco would be deducted from your first and second new scheduled paychecks in equal amounts.

The payment amount will equal 40 hours of pay at your base rate, will be taxed as regular wages, and will not be eligible for 401k or ESPP. Also, note that the advance payment will be deposited into the account you have specified as your "balance" account in Workday (it will not be split into multiple direct deposit accounts).

### 15. Do I have to accept the optional payroll advance?

No. If you do not want to receive the payroll advance, no action is needed on your part.

### 16. Can I elect a specific amount for the payroll advance, or dictate how the advance is deducted from future paychecks?

No. If you elect to receive the payroll advance, your pay rate at the time the advance is issued will be used to calculate the amount you receive. Should your pay rate change after that time, your advance amount will not change to reflect the new rate. The advance amount you receive will be collected back via payroll deduction, in two equal portions, from your first and second paychecks on the new pay schedule.

### 17. What happens if I leave Sysco after accepting the payroll advance?

If you voluntarily or involuntarily leave Sysco prior to having fully paid back the payroll advance, Sysco will recover the outstanding amount from your final paycheck and/or any future payments that are otherwise due to you as is permitted by law.

## For Corporate/SBS only

### 18. What is the difference between being paid current and being paid in arrears?

**Only Corporate/SBS associates are paid current and moving to arrears**, all other associates are already paid in arrears.

**Current** – If you are a Corporate/SBS associate, you are paid “current,” which means you are paid for all workdays leading up to your pay date, based on your scheduled hours (i.e., expected work time).

For example, the biweekly paycheck you receive on July 16 is for the pay period starting July 4 through July 17. Since paychecks are calculated before the pay period ends and timecards have not yet been finalized, exception hours recorded cannot be processed until the following pay cycle; if you are a non-exempt associate, this means your overtime is paid 2-3 weeks after it is worked.

**In Arrears** – Associates who are paid “in arrears” are paid the week after their pay period ends, based on actual time worked.

For example, the biweekly paycheck you receive on August 6 will be for the pay period starting July 18 through July 31. Arrears processing allows paychecks to be calculated after timecards have been finalized and ensures more accurate timely pay for all hours worked. If you are a non-exempt associate, this means your overtime is paid 1-2 weeks after it is worked.

### 19. I’m an hourly associate, I thought I was being paid in arrears. What does this mean for me?

We understand there may be some confusion as you may already feel you are paid in arrears rather than for the current pay period. Click [here](#) for clarification about how this pay schedule change impacts non-exempt (hourly) Corporate and SBS associates.