



Weekly Payroll FAQ

When will we be moving to weekly pay?

Weekly pay will begin October 12, 2023.

Why are we making this change?

Many of you have requested this change to help with a steady stream of income to more smoothly manage your personal finances. We heard the feedback in various avenues, including the employee survey, and we're listening! Weekly pay is a growing benefit in many industries. Making this change also helps us recruit future employees who may be interested in weekly pay or are already working in a weekly pay environment.

We've been executing weekly payroll for our Liverpool employees for many years due to New York state laws. We have invested in the systems to make this change without compromising accuracy. Getting you your money quickly and accurately is our top priority.

How will tax withholdings be affected when we move to weekly?

Your total tax withholdings will not change when we move to weekly pay.

Medicare and Social Security taxes are a percentage of your income. Federal and State withholdings have a more complex table but are also a percentage of your income. Since your income is not changing, the total withholdings will remain the same overall. You will simply see smaller withholdings per paycheck, since you'll be getting paid weekly instead of every other week.

**If you have an extra flat amount per paycheck withheld, payroll will contact you about adjusting your W-4 withholding form.

Will the Incentive-Based Pay (IBP) for material handlers or the Miles Per Gallon (MPG) for drivers or any other bonuses pay frequencies change?

No. IBP will continue to be paid every two weeks and the MPG incentive will be paid every four weeks. CSA and quarterly profit bonuses will remain quarterly. Our service bonus will continue to be paid out annually.

How will my 401(k) deferrals work?

We will withhold at the same overall percentage you've chosen to contribute to your 401(k). Those withholdings will now be spread out across more paychecks, which means the amount you see taken out each week will be smaller. The deposits into your retirement account will be made within 3 business days, the same as they are today, so that money will be invested and start working for you quicker.

Will payday remain the same?

Yes. Payday in the U.S. will continue to be Thursdays. Canada employees will continue to be paid on Fridays.

How will payroll deductions and direct deposits work?

Regularly scheduled deductions (see list below) will be the same but halved when we move to weekly pay. Flat dollar amounts will be cut in half for each weekly deduction and percentage-based deductions will adjust accordingly. Dorothy's Market/Employee Purchases will deduct from the next paycheck after the purchase.

A few changes will require some action by you. If you have a flat amount direct deposited and flat amount tax withholdings. We are working through the exact details now and will provide more information soon on when and what you need to do.

<u>Deduction</u>	<u>Percentage or Flat Amount</u>
W4/Taxes (federal)	Flat Amount
W4/Taxes (federal)	Percentage
W4/Taxes (state)	Flat Amount
W4/Taxes (state)	Percentage
Social Security and Medicare	Percentage
401K percentage	Percentage
401K catchup	Flat Amount
401K loan	Flat Amount
Medical Benefits	Flat Amount
Dental Benefits	Flat Amount
Vision Benefits	Flat Amount
Life Insurance Benefits	Flat Amount
Voluntary Benefits	Flat Amount
Charitable Contribution	Flat Amount
Employee Purchase Program	Flat Amount
Garnishments	Percentage
Garnishments	Flat Amount
Note Loan	Flat Amount
Shoes	Flat Amount
Uniform	Flat Amount
<u>Payments</u>	<u>Percentage or Flat Amount</u>
Direct Deposit	Flat Amount
Direct Deposit	Percentage

What other considerations should I be thinking about regarding weekly pay?

Your income is not changing. But when we move to weekly payroll, you will receive your pay in smaller increments, twice as often. So, if you have automatic payments made out of your checking account on scheduled days, you will want to ensure you have enough money in the account when the payment is scheduled to withdraw.

When we move to weekly pay, your first weekly check will come the week after your final biweekly check. Timing them back-to-back is designed to help with the transition to the new payroll schedule.

Moving forward, you will want to either save money you receive early for future payments OR spread any automatic payment withdrawals out throughout out the month so they are timed with other weekly checks. Some of your personal vendors might be willing to let you split the payments into two.