



Members,

AEE has received information from DAS about corrections to mid-month pay check tax withholdings. We wanted to share with you the information we received:

“This email serves as notice to labor that DAS will be utilizing a federal tax withholding enhancement in Workday with the goal of having this new feature part of the August payment (paid September 1). This new enhancement will combine all of the payments paid in a pay period and determine the federal withholding amount based on those combined payments and based on the employee’s completed W-4.

For example: if the employee has an August 15 off-cycle payment (mid-month) it will still calculate federal withholding on that stand alone payment. However, for the September 1 on-cycle payment it will calculate taxes on the combined wages from August 15 and September 1.

This change only applies to federal withholdings. DAS is finalizing a plan to implement a state withholding solution.”

Federal tax withholdings for mid-month paychecks will come out of the first of the month paycheck of the following month. It appears this is to begin with the September 1st paycheck (will include taxes for August mid-month paycheck). If you receive mid-month paychecks, please be sure to carefully check this upcoming September 1st paystub to see if it appears that taxes for both the September 1st and August mid-month pay checks were withheld.

Why this is different from the old, legacy system: The legacy system considered the mid-month paycheck as part of the same month, and taxed based on that total. Workday is the opposite and looks ahead rather than back.

This is somewhat confusing please feel free to direct any questions you have to the [AEE Office](#). We have not heard when the State tax withholding will be fixed, that will still need to be addressed.

Additionally as a reminder please download your paystubs each month (and mid-month). **Do not trust Workday to keep them**

