



TO: All Human Resource Directors for Agencies Serviced by the Bureau of Commonwealth Payroll Operations (BCPO)

FROM: Stephen R. Burns
Director
Bureau of Commonwealth Payroll Operations

DATE: January 15, 2026

RE: BCPO Payroll Memo #26-02
Twenty-Seven Pay Dates in 2026 for Pay Areas Z1, Z2, Z5 and T2

In the 2026 calendar year, there are 27 biweekly pay dates for employees who work in Pay Areas Z1, Z2, Z5, and T2. The regular pay date of Friday, January 1, 2027 is a holiday; consequently, the pay date has been changed to Thursday, December 31, 2026.

This occurrence does not affect the deductions for taxes, medical hospital, union dues, garnishments, retirement deductions, etc., since these deductions are based on a percentage of income, or a fixed biweekly amount. However, please note the following for the 27th pay date:

- SECA deductions will automatically stop.
- Deferred Compensation - An employee who did not reach the maximum amount for deferred compensation based on the deferral limits for 2026 will have a deduction.
- Local Service Tax deductions will be evenly spread out over all the pay dates for the calendar year. For example, if an employee works in a municipality where the Local Service Tax is \$52 per year, the employee would normally receive a \$2 deduction for 26 pay periods to fulfill their annual liability. For 2026, employees in Pay Area Z1, Z2, Z5, and T2 will have 26 deductions at \$1.93 and the 27th deduction will be at \$1.82 with a limit of \$52.00.

Affected employees will notice an increase in their taxable earnings and taxes for the 2026 tax year due to the 27th pay and should budget accordingly. If you have any questions, please contact our Payroll Processing division at RA-OBBCPO-PYPROCDIV@pa.gov.



Pennsylvania
Office of the Budget

MEMO

cc: John Kaschak, Deputy Secretary for Comptroller Operations, Office of the Budget
Jason Swarthout, Deputy Secretary for Human Resources and Management
Lisette Lindsay, IES Business Operations Human Resources Manager
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Bureau Directors