

# 2020 is a Leap Year. Is this a Trick or Treat?

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Boo! February 29, 2020 is leap day. Don't be scared - it occurs every four years. And we are here to help!

Let's light the jack-o-lantern and explain: Leap years have 366 days, as opposed to a common year, which has 365 days. This may seem like a bunch of hocus pocus, but this day is added to the calendar in leap years as a corrective measure because the Earth does not orbit the sun in precisely 365 days.

We think of the calendar year as being 52 weeks, but it's actually 52.1429 weeks. Because 365 does not divide evenly into the 7 days of the week, there is a potential for additional paydays if the payroll is weekly or biweekly. In any year with 365 days, there will be 6 days of the week that occur 52 times and 1 day of the week that occurs 53 times. In a leap year, there will be 5 days of the week that occur 52 times and 2 days of the week that occur 53 times.

Who is not impacted by the leap year?

- Hourly employees
- Salaried employees paid monthly
- Salaried employees paid semi-monthly

Who may be impacted by the leap year?

- Salaried employees paid bi-weekly
- Salaried employees paid weekly

This will not impact hourly workers because they are paid for hours worked. Salaried employees are paid monthly, semi-monthly, bi-weekly or weekly. If an extra pay period occurs, it will impact salaried employees who are paid weekly or bi-weekly (every other week) and result in one more payday than normal.

Employers have options. Two options are:

1. Recalculate the annual salary in the year of an additional payroll period.
2. Do not recalculate the annual salary in the year of an additional payroll period.

Don't let this be a trick! There are other considerations you should consider and discuss with your employment counsel - such as whether this will impact payroll taxes or employee benefits. Whatever route you take, communicate the change with your employees. If you choose not to recalculate the annual salary and treat your employees to an additional payroll period, do so knowingly. You don't want to be caught at the end of the year with your hand in candy bowl!