

## Nine Month Faculty Pay over 12 Months Plan

### Frequently Asked Questions

1. What is the Deferred Pay Option?
  - a. Nine-month Faculty members would be paid 20 paychecks (18 full paychecks, 2 partial paychecks). 12-month faculty employees are paid 26 paychecks per year. With the Deferred Pay Option, nine month faculty can choose to have their gross pay spread out equally over 26 pays. This option is commonly referred to as 9 over 12.
  
2. If I currently make \$52,000 for my 9 month contract, how would choosing Deferred Pay affect my regular paycheck amount?
  - a. If you were paid over 9 months (19.5 pays) your bi-weekly gross pay would be \$2,666.66. If you select the Deferred Pay Option, your bi-weekly gross pay would be \$2,000.00 (over 26 pays). It is the same total amount just spread over 12 months.
  
3. When is Open Enrollment for the Deferred Pay Option?
  - a. Open Enrollment for the Deferred Pay Option would occur from March 1st through June 30<sup>th</sup>. Announcements would be sent out each year announcing these specific dates.
  
4. If I was participating in the Deferred Pay Option would I need to re-enroll annually?
  - a. You do not need to reenroll; this election would continue until you actively stop it.
  
5. How are my benefit deductions taken from my Deferred Pay Option?
  - a. Unlike being paid over 9 months, which requires double deductions for benefits in the Spring to cover the summer months, when enrolled in Deferred Pay deductions occur each month for next month's benefits coverage with no double deductions. Deductions for insurance at therefore taken over twelve months.
  
6. If I enroll and then decide that I do not want to participate in the Deferred Pay Option, can I stop?
  - a. Once you are enrolled, you are required to continue for the full 12 months (August - August).
  
7. How could I stop the Deferred Pay Option?
  - a. You would be able to stop this election during open enrollment, March 1 – June 30 each year. To stop this election you would fill out the "Request for Termination of Twelve Month Pay Plan Option" form. Forms would be available on HR's website. This would have to be completed by June 30<sup>th</sup>.

8. What if I separate from UWF or change from a 9 month faculty member to a 12 month faculty member prior to the end of summer when the deferred pay would be made to me?
  - a. If you separate, HR and the Controller would conduct an audit of your record upon separation and the money already deferred would be paid to you in a lump sum payment. You would not forfeit the funds – it is your money!
  - b. You would receive your deferred pay on the normal schedule if you move from a nine month to a twelve-month contract after the end of the nine-month contract period.
  
9. What if I receive a Summer Contract?
  - a. Summer contracts would not affect your deferred pay received in the summer. Additionally, you would receive your summer pay according to the summer payroll calendar.
  
10. What if I receive Overloads during the academic year or over the summer?
  - a. Overloads would be paid as they normally are - during the time the work is completed or the appointment information is submitted to HR, whichever one is first.
  
11. What happens to the money that is deducted from my academic year paychecks? Will I earn interest on the funds?
  - a. The University would hold your money for disbursement over the summer. You would not receive interest on the funds.
  
12. Is this the only way for a nine-month Faculty member to save money for the summer months?
  - a. Automatically, yes. However, you may be able to request your bank to move money from one account to another as a way of saving money or set up an additional direct deposit through the payroll office.
  
13. Will my Deferred Pay Option money be directly deposited into my bank account?
  - a. Yes, all pay you receive from UWF would be direct deposited into the bank account on file with Financial Services. If you needed to update your banking information, you would complete a Direct Deposit Form and send it to Financial Services. Forms would be available on the Financial Services website.
  
14. Whom do I contact if I have questions?
  - a. You may contact Jeff Comeau 474-2610 or Billy Pollard 474-3025. We will be happy to answer your questions.

15. Why is there an income limit of \$156,000 to be eligible to elect 9 month deferred pay?
  - a. The Internal Revenue Service (IRS) regulates deferred compensation. Individuals who defer \$18,000 or less in a calendar year are not considered to be subject to §409A rules regarding additional interest and penalties on the deferred compensation. UWF has concluded that employees who elect to participate and who make \$156,000 or less annually will meet the IRS annual deferred constraints of less than this \$18,000 in the calendar year and avoid the additional tax.