Annual Enrollment for Extended Pay Plan

The enrollment period begins in mid August. Participation in the Plan, which is voluntary, allows employees who are budgeted for less than twelve months each year to extend their net salary payments over twelve months. The information below outlines the procedures for enrolling in the Extended Pay Plan.

Enrollment in Extended Pay Plan by Eligible Employees requires the completion of an Extended Pay Plan Authorization form.

General Information for Extended Pay Plan

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<th>What It Is</th>
<th>The Extended Plan allows employees who work less than 12 months a year to extend their pay over 12 months.</th>
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<tr>
<td>How It Works</td>
<td>You can choose to have either 12.5% or 25% of your net pay deducted for a period of nine months. The ending balance of the amount that was deducted for the nine-month period will be divided into three months and disbursed during the summer months. If you work nine months and have 25% withheld from your pay during each of those nine months, your paycheck should be fairly even for 12 months. If you have 12.5% withheld for nine months, your summer pay will be less than your regular pay. The deduction for 12.5% was designed for employees who work 10-1/2 months and have some summer income.</td>
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<tr>
<td>How Tax and Other Deductions Are Affected</td>
<td>For tax purposes, the employee will continue to be considered a nine or 10-1/2-month employee. Therefore, Federal income and Social Security taxes will be deducted fully from your pay during the months you work. All of the money held for summer payment will be from your after-tax &quot;take-home&quot; pay or your net pay.</td>
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<tr>
<td>How Insurance Premiums Are Paid</td>
<td>Insurance premiums will be deducted from each paycheck during the regular work year. In addition, 25% of your monthly out-of-pocket insurance premiums will be withheld each month to cover your summer premiums. If you participate in the Extended Pay Plan, all summer premiums will be deducted from your May paycheck. However, money to cover three months of premiums will be paid to you in May from your withholdings in addition to your May paycheck. This means your overall May take-home pay will be your normal amount, and all of your Health and Dental premiums can be paid on a pre-tax basis.</td>
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### How You Sign Up

You can sign up for the plan at any time during the year by completing the [Extended Pay Plan Authorization form](#) which can be downloaded from this site or coming by the Payroll Office. You may also contact this office by calling 968-9608 and requesting a form be sent to you.

If you wish to create generally even paychecks year-round, you will need to sign up in September. If you sign up later in the year, you will still receive three summer paychecks but they will be for lesser amounts. You may also stop participating at any time during the year. However, once you stop participation in the Extended Pay program, you cannot sign up again until the beginning of the next fiscal year (September 1). If you end participating, you may receive all withheld funds at that time or wait and receive these funds in three payments during the summer.

### How Your Account Is Paid

Whatever amount has been withheld for summer payment will be divided evenly and paid to you on the regular paydays for June, July and August (for instance: July 1, August 1, and September 1, or the first working day of each month). This money will already have been taxed, and insurance premiums will already have been deducted. If you work part or all of the summer, you will receive your pay for that work in addition to the payments from the Extended Pay Plan.

### Frequently Asked Questions for Extended Pay Plan

**Do all nine- and 10 ½ -month employees have to go on the Extended Pay Plan?**

No. The plan is entirely voluntary.

**Will my entire pay be affected by the 12.5% or 25% reduction?**

Only net pay will be affected. Any supplemental payments you receive will not be spread over 12 months.

**If I join the plan mid-year, can I have a larger percentage withheld?**

No. You can have 12.5% or 25% of your net pay withheld each month. If you join the plan mid-year, you will have smaller paychecks during the summer months than you would have had, if you had joined the plan in September.

**If I contribute to the Extended Pay Plan all year, will my summer checks exactly equal my regular checks?**

It depends. Nine-month employees, who elect 25% withholding should, in theory, have identical checks. However, supplemental pay (any pay in addition to base pay and longevity pay) is not included, which could make summer checks less for some. The variation between regular and summer pay will be more pronounced for 10 ½-month employees and nine-month employees who elect 12.5% withholding.

**What happens if I have part of my pay withheld all year and then I get a summer appointment?**

You will receive your pay for the summer appointment plus the payments from the Extended Pay Plan.
If I don't need payments from the Extended Pay Plan because I got a summer appointment, can I leave the money in the plan until next summer?
No. All funds will be given to you so that no funds are held at the end of the fiscal year.

Will I receive interest on my withholdings for the summer?
No. Any interest generated will go toward paying the administrative costs of the Extended Pay Plan. If you wish to earn interest on your pay, you should continue your current pay schedule and set aside money yourself for the summer months in an interest-bearing account or investment.

When I file my income tax return, in which year do I include the money withheld for the Extended Pay Plan for my September through December paychecks?
You include the withheld money on your tax return for the year in which it would have been paid had it not been withheld for the Extended Pay Plan. All of your pay will be taxed before any of it goes into the Extended Pay Plan, and your W-2 form will reflect your pay as if you had already received your full amount. You have access to withheld money, and it is considered as already paid to you for tax purposes.

How will my direct deposit be affected?
Direct deposit will not be affected, except that less money will be deposited each month because a portion of your pay will be withheld for the summer. Your summer payments from the Extended Pay Plan will be made via direct deposit as long as you have a valid direct deposit authorization form on file. If you elect to withdraw your money before May, however, you will receive a check.

How do I enroll, drop out, or make changes to my participation?
Contact your human resources or payroll office for the appropriate forms for any plan action or download the form from the payroll website. Your payroll office can also answer any questions you may have about the plan.

If I resign, what happens to the funds that have been deducted for the plan?
There are two options available. If you do nothing, whatever amount has been withheld for summer payment will be divided evenly and paid to you on the regular paydays for June, July and August. If you wish to receive the total accumulated balance on the next available payday, you will need to submit a cancellation and request for refund form to the payroll office. This is done by submitting to the payroll office a new Extended Pay Plan Authorization form, completing items 1-3 and item 6-checking cancellation and option (A). Once received, the refund will be processed on the next available monthly pay day. (For instance, if you resign on January 15th, the next available monthly pay day is February 1st. If the form is received by the payroll office prior to the processing date for the January monthly payroll, the refund will be issued on February 1st along with the final monthly paycheck. If the form is received by the payroll office after the January monthly payroll has processed, the next available pay date would be March 1st.)