I. Policy Statement

Faculty members on nine-month contracts may have the nine-month salary paid over twelve months.

II. Application of Policy

Faculty

III. Policy Definitions

A. Annualized Compensation

“Annualized compensation,” in this policy, means payment of a nine-month salary over twelve months.

IV. Policy Responsibilities

A. Purpose

The payment of a nine-month contract over twelve months is intended for those employees with a stable income expectation.

B. Qualification

Faculty may elect to have their nine-month salary paid over twelve months if they satisfy the following requirements:

1. the election to spread the compensation over a twelve-month period is made in writing;
2. the election is made prior to the first day of the academic year to which the election applies; and
3. the election must state how the compensation will be paid (e.g., in equal monthly installments or in accordance with payroll practice).

C. Revocation

Once an election of annualized compensation has been made, the employee cannot revoke the election prior to the next fiscal year.

D. Automatic Renewal

The annualized compensation agreement will be automatically renewed each fiscal year without submission of a new pay option form unless there are changes in the annualized compensation program or related laws that require participant renewal.
E. Reversion to Nine-Month Pay

Any decision to revert to nine-month pay for the following fiscal year must be submitted in writing to the Office of Academic Resources before the first day of work for the new fiscal year.

V. References and Cross-References

Internal Revenue Code § 409A

VI. Revision History

<table>
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<th>Policy Director, Office of the Provost and VP for Academic Affairs</th>
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<td>05/03/1977</td>
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