



Policy Chapter: Chapter 6 Faculty Affairs

Policy Number and Title: 06.012 Payment of Nine-Month Contracts

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**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**

Policy Contact:	Policy Director, Office of the Provost and VP for Academic Affairs
Approved Date:	05/03/1977
Effective Date:	03/02/2015
Revisions:	08/2002, 03/2015, 06/09/2023