

**GUIDELINES ON ACADEMIC YEAR STAFF PAID OVER 12 MONTHS**  
**DIVISION OF ACADEMIC AFFAIRS**  
Effective June 4, 2008

Staff employees on academic year salaries ordinarily must be paid as they earn their salaries during the appointment period (22 pay periods). However, the university does provide an option for academic year staff to have their academic salaries paid over a 12-month period (26 pay periods). According to the IRS, “deferred compensation arises in an arrangement under which compensation earned in one [tax] year is paid in a later year.” In order to avoid the tax penalties usually associated with deferred compensation, a staff member must formally elect to defer.

The staff member’s election must be documented and recorded by the institution. The institution will establish the annual deadline date for the election decision. The election will stay in place indefinitely until the staff member elects a change. Moreover, the election cannot be changed after the academic year begins. A staff member who chooses the 26-pay election and separates from the institution prior to receiving all salary earned will be paid all earned but unpaid salary in a single lump sum within 30 days of separation.