EXTENDED PAY – FAQ

Do all 9 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 August.

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 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 9 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.

How do I enroll, drop out, or make changes to my participation?
Contact the Payroll Department at 825-2411 to obtain appropriate forms or ask questions about the plan.