

Michigan Tech

Deferred Pay Election Form

Return to Payroll Services prior to the first day of your next work period.

Name _____

M# _____

Department _____

I hereby elect to have my salary (for my less than 12 month position) paid to me under the Deferred Pay Plan (over 26 pay periods), starting with the commencement of my next work period.

I have read the Deferred Pay Plan Guidelines on page 2 and I understand that any interest or penalty incurred on any amount deferred in excess of the current year §402(g) limit are solely my responsibility.

I understand that this plan cannot be revoked by me until the start of my next work period unless I should terminate my employment with MTU.

I understand that the plan I have chosen will continue year to year unless I cancel my election prior to the start of my next work period.

Signature

Date

Cancellation:

I hereby elect to cancel my Deferred Pay Plan commencing with the beginning of my next work period.

Signature

Date

Deferred Pay Plan Guidelines

Internal Revenue Code, Section 409A established special rules allowing teachers (or other taxpayers with similar part-year work periods) to make an election to spread their compensation out for up to 12 months, if their employer is willing to give them that choice.

The regulations of §409A require the following:

1. The employee must give written election to the employer that notifies the employer that the employee wants to spread out the compensation.
2. The election must be made before the beginning of the work period (before the first day of the school year for which the employee is paid, which may be before the first day students arrive for class).
3. The election must be irrevocable, so that it can't be changed after the work period begins.
4. The election must state how the compensation is to be paid if the election is made.
5. The deferred amount must not exceed the current year §402(g) limit. For 2018, this amount is \$18,500.*

*While Michigan Technological University will use due diligence to prevent excess deferral, in the event a deferral exceeds the applicable limit, the employee will be solely responsible for any IRS interest or penalty incurred.