



TEACHER PAYMENT ELECTION FORM

In 2007, the U. S. Treasury Department released new regulations interpreting the deferred compensation in the Internal Revenue Code 409A. The deferred compensation rules took effect on January 1, 2008. Under the new 409A rules, compensation generally cannot be deferred for more than 13 months without penalty. The new code also requires a written agreement between an employer and an employee, or a written District policy, in order to defer compensation into the following tax year. The written agreement must be in place before the first day of the new employee's service otherwise the deferred compensation is subject to a 20% excise tax charged to the employee.

Baldwin-Whitehall School District is asking you to review your decision to be paid over 12 months and notify the District whether you elect to have your **2018-19** salary paid out over a 12-month period (26 pays) or for the time period that school is in session (22 pays). **This election form must be returned to the Payroll Department prior to your first day of work in the 2018-19 school year.** Your election **may not be changed** during the school year once the Payroll Department has processed this form. Your election will remain in place thereafter. But, you do have the option to change your election in writing before the beginning of the next school year. **Please note: that if you do not return this (Election Form) prior to the beginning of the school year 2018-19 you will only be paid 22 pays during the school year.**

This notice is not intended to provide you with tax and or legal advice. You may wish to contact your personal accountant or attorney regarding the two forms of payment.

PAYMENT ELECTION

I, _____, do hereby elect to be paid as follows:

(Please Choose One Payment Plan)

_____ I elect to be paid during the (**School Year Only (22 pays)**).

_____ I elect to be paid out over a **12-month period (26 pays)** beginning with my first day of work.

I understand that this Election **must remain in effect for the entire school year**. In addition, I further understand that this Election will remain in place, unless I notify the Payroll Department in writing of a change prior to the beginning of the next school year.

Date: _____

Employee Signature: _____

Print Name: _____