



MARCH 2008

Deferred Compensation (409A) Election Information

The IRS has issued regulations (409A) which relates to a change in tax law for individuals receiving deferred compensation. This law affects faculty and those administrators with 9-month appointments per year who elect to have their salary spread out over a 12-month period, thus deferring a part of their income from one taxable (calendar) year to the next. The IRS website can provide more information at: <http://www.irs.gov/newsroom/article/0,,id=172883,00.html>

Beginning with Regent's FY 2009 fiscal year beginning July 1, 2008, faculty with less than 12-month appointments who would like to have their salaries paid over 12 months must make an election by the first day of the month in which they begin work. (i.e. Faculty who begin teaching in late August 2008, must make this election no later than August 1, 2008.)

The IRS requires faculty and administrators that do not submit an annual election form by the deadline to have their pay distributed over their 9-month appointment.

This election is termed "evergreen" which means it will remain in effect each year unless you notify Human Resources in writing otherwise prior to the beginning of your work year. This election is **irrevocable** during an appointment year. If you wish to change this election in a future year and be paid over the shorter period of your appointment (i.e. 9 months) you must notify us in writing of that change no later than the first of the month during which you begin work. (i.e. by August 1st if you begin work in August).