

## **12-Month Payment Policy**

In Compliance with IRC 409A

(effective 1/1/08)

### **Faculty Handbook Statement:**

Pitzer College requires that all faculty and exempt employees be paid their annual salary over twelve months regardless of the fact that they will actually work over a shorter time period. Specifically, the academic year salary shall be paid in twelve equal installments issued on or before the 26<sup>th</sup> day of each month, beginning on July 1 and ending on June 30. Faculty members are expected to be in residence at the college from August 15<sup>th</sup> in the fall through commencement in the spring. Visiting faculty who teach only one semester will be paid for specific periods in accordance with individual terms of employment. Visiting faculty who teach in both semesters of an academic year will be paid in twelve equal installments in the same manner as regular faculty.

In the event a separation from service occurs before the end of the 12-month payment period, employee will be entitled to an additional payment for the amount actually earned from the beginning of the 12-month pay period until the date of his or her separation from service, but which has not yet been paid. This additional payment will be included in the employee's final paycheck. For this purpose, "separation from service" shall have the same meaning as that term is defined in section 1.409A-1(h) of the Treasury Regulations.

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### **Staff Handbook Statement:**

Exempt Staff: Pitzer College requires that all faculty and exempt employees be paid their annual salary over twelve months regardless of the fact that they will actually work over a shorter time period. Specifically, the academic year salary shall be paid in twelve equal installments issued on or before the 26<sup>th</sup> day of each month, beginning on July 1 and ending on June 30.

Nonexempt Staff: Nonexempt staff are paid biweekly for actual hours worked, over 26 pay periods throughout the fiscal year, beginning on July 1 and ending on June 30.

In the event a separation from service occurs before the end of the 12-month payment period, employee will be entitled to an additional payment for the amount actually earned from the beginning of the 12-month pay period until the date of his or her separation from service, but which has not yet been paid. This additional payment will be included in the employee's final paycheck. For this purpose, "separation from service" shall have the same meaning as that term is defined in section 1.409A-1(h) of the Treasury Regulations.