****

#### Election of Payment Option for Salaried Employees

(Faculty and Supportive Professional Staff Only)

Faculty and Supportive Professional Staff employees who have appointments for less than twelve months are automatically paid their annual salary amount over the term of the contract. For example, a 9-month employee will be paid their contract salary amount in eighteen (18) equal semi-monthly installments beginning with the payroll period coinciding with the appointment start date.

However, Faculty and Supportive Professional Staff employees who have appointments for less than twelve months may alternatively exercise an option to receive payment of their annual salary amount over a twelve (12) month period. Because this method of payment is available on an optional basis only, it is necessary to receive written authorization to distribute the annual salary over a twelve (12) month payroll cycle or otherwise change your current payroll option. Upon authorization, twenty-four equal semi-monthly payments, beginning with the payroll period coinciding with the appointment start date, will be provided to employees electing this option.

**The selected payment option will remain in full force until such time that a new Authorization Form is submitted and a different payment cycle is selected. The Payment Authorization Form must be completed and submitted prior to August 1 to elect this option or otherwise change the current payroll option.**

Following are some additional implications when electing the twelve-month payroll option:

1. If an employee on the twelve-month payment option separates from the University, the remaining deferred salary will be paid in one lump sum on the last regular paycheck.
2. If an employee on the twelve-month payment option receives a change in contract length of greater than nine months, the remaining deferred salary will be paid in one lump sum on the paycheck following notification of the contract change.
3. If an employee on the twelve-month payment option secures additional University employment for the summer or other periods outside the original appointment timeframe, the payment(s) for these additional services will be provided separately and in addition to the 24 equal semi-monthly payments.
4. If an employee on the twelve-month payment option goes on an unpaid leave of absence, the employee will be moved to a nine-month pay cycle and the remaining deferred salary will be paid in one lump sum on the paycheck following notification of this status change. Upon return to work, the employee will remain on the nine-month payment cycle until the beginning of the next contract term, at which time they will once again be moved to the twelve-month pay cycle.
5. Employees electing the twelve-month payment option are afforded a pre-tax deduction for some elected benefit options across the entire twelve-month pay cycle. Employees electing the option to be paid over the appointment term will be billed for their benefit costs during their designated non-work periods.

**Return the completed Authorization Form to:**

Contracts, Records and Reports

Human Resource Services Building

Northern Illinois University

1515 West Lincoln Hwy.

DeKalb, IL 60115



#### Election of Payment Option for Salaried Employees

(Faculty and Supportive Professional Staff Only)

#### Authorization Form

I authorize Northern Illinois University to distribute my annual salary in the following manner (*check one*). As expressed in the University guidelines regarding these options, I understand fully the payment implications associated with this request. I understand that the selected payment option will remain in full force until such time that a new Authorization Form is submitted.

□ Distribute my annual salary over the appointment term

□ Distribute my annual salary over twelve (12) months

Name(print) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Department \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**The Payment Authorization Form must be completed and submitted prior to August 1 of any calendar year to establish the selected payment option.**

**Return the completed Authorization Form to:**

Contracts, Records and Reports

Human Resource Services Building

Northern Illinois University

1515 West Lincoln Hwy.

DeKalb, IL 60115