

Pitt County Schools
Optional 12-Monthly Installment Pay Election

(*Election form must be submitted to Central Office payroll prior to first day of School Year*)

Name (Please Print): _____, _____
Last First Middle Initial

Social Security # (Last 4): _____ School #: _____

School Name: _____ Job Title: _____

The information requested in the above section must be complete, accurate and legible. **Nicknames are not permissible.** Name entered **must** be same as name printed on employee's Social Security card.

G.S. 115C-302.1(b) provides..."An individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments." Teachers employed for a period of more than 10 months shall not receive their salaries in 12 installments.

According to section 409A of the IRS tax code, 12 month option pay creates deferred compensation. The IRS requires a higher level of accountability for both the employee and the employer with concerns to who is eligible and who elects the 12 month option plan. If an employee receiving pay on the 12 month option pay plan through the State administered plan and/or Pitt County Schools is found out of compliance, this employee could incur an additional 20% tax penalty.

ELECTION

I request that my annual salary be paid in 12-monthly installments instead of the 10 months of actual employment effective at the beginning of the next school year. I understand and acknowledge that my monthly salary will be reduced by 16 2/3 percent each month for 10 months of employment and that this will be paid in June and July of the following year. I also understand that **this election is irrevocable during the year in which I elect to receive 12 monthly installments.** I further understand that this election will continue from year-to-year unless it is cancelled by one of the following methods:

- 1. Taking a leave of absence without pay.
- 2. Changing job assignments or percentage of employment during the school term.
- 3. Retiring, resigning or being terminated during the school term.

I understand that it is my responsibility to submit a new election form prior to the beginning of any subsequent school year if I wish to be reinstated on 12 monthly installments following either the cancellation of election during the previous school year or an approved school year's leave of absence.

Legal Signature

Date

CANCELLATION

I wish to cancel my 12-month installment option and instead receive my pay over the 10 months of actual employment, **effective at the beginning of the next school year.** I understand and acknowledge that certain insurances will be doubled for 2 months in order to provide coverage through the summer since I will not receive a paycheck during June and July to deduct insurances. I further understand that this election will continue from year-to-year unless a new 'Optional 12-Monthly Installment Pay Election' form is submitted prior to the first day of employment in a subsequent school year.

Legal Signature

Date

NOTE: If you are planning to retire or resign during or at the end of the school year, it will be to your advantage not to take the 12-month option.

White copy – Employee

Yellow copy – Payroll

Pink copy – School