



PAYROLL AND HUMAN RESOURCE SERVICES

EXTENDED PAY PLAN

Overview:

The Extended Pay Plan (EPP) allows employees with less than 12 month appointments to extend defer a portion of their “take home” pay until the summer.

All regular employees who are budgeted for less than 12 months are eligible to participate in this program. A regular employee is defined as one who is budgeted for 50 percent or more time for at least four and one-half months, excluding students holding positions for which student status is a requirement for employment.

No interest is paid on the funds held.

How it Works:

An application must be completed and sent to Payroll Services. Employees choose to have either 12 ½ % or 25% of their **net** pay set aside each month. During the summer months they receive a paycheck from those funds. If an employee works 9 months and chooses the 25% rate, their paycheck should be fairly even for all 12 months of the year. Any other term would have varying amounts.

Taxes

All federal income and Social Security taxes will be deducted from pay during the months employees work. All pay is taxed before it is placed in the EPP fund. All money held for summer payment in the EPP fund is after-tax, “take home” pay.

Insurance Premiums:

For employees participating in the EPP program, insurance premiums will be deducted from each paycheck during the regular work year. An additional amount, equal to 25% of monthly out of pocket insurance premiums will be withheld each month to cover summer premiums. EPP participants will have all summer insurance premiums deducted from their May paycheck; however money to cover three months of summer premiums will be reimbursed from their EPP funds for those summer premiums.

Payments from the EPP Fund:

Money in an EPP fund will be divided evenly and paid to the employee on the regular monthly paydays for June, July and August. This money will already have been taxed, and insurance premiums will already have been deducted. If an employee is employed during June, July or August they will receive both a regular paycheck plus the payments from their EPP fund.

If a direct deposit authorization form is on file the EPP reimbursement will be paid via direct deposit.

Electing to Participate

Eligible employees can sign up any time during the year; however enrollment after September will result in smaller summer payments. When enrolling, an employee must choose either the 12 ½ % or 25% deduction option.

Cancellation:

Employees can cancel their participation in EPP at any time and may request payment of the balance of their EPP funds. Refunds will be disbursed once a month, to be paid with the regularly scheduled monthly payroll. Once an employee asks for a refund, that employee may not participate in EPP for the remainder of the fiscal year. Employees that cancel participation may also elect to not receive payment of the balance of the funds already deposited and have them disbursed during the summer months.