

Payroll Department

2020 Bonar Street, Suite 237. Berkeley, California 94702

[www.Berkeleyschools.net](http://www.Berkeleyschools.net)

## **12 Month Deferred Pay Plan for BCCE Unit Members**

The Twelve Month Deferred Pay Plan provides a method for 10 and 11 month BCCE Unit Members to spread their monthly gross salary equally over 12-months. The total amount deferred will be paid out in accordance with the standard pay schedule to include payments in July and August of the following FY that the employee signs up. Interest will not be paid on the deferred amount. Participation in the plan will be available to 10 and 11 month BCCE Unit Members only. The deadline for Enrollment for Deferred Pay is August 15<sup>th</sup> of the FY the employee signs up. Checks or direct deposits will be processed like any other payroll payment. Benefit Deductions will be deducted over a 12 month period, and CalPERS (Retirement) Deductions will be deducted over a 10 month period.

### **Enrollment**

To enroll in the plan, the employee must sign the Deferred Pay Plan Form. This form must be returned to the Payroll Office by August 15<sup>th</sup> of the FY the employee is signing up. Enrollment in the plan becomes effective on the first regular paycheck in September of the FY of signing up.

### **Termination/Withdrawal**

Election to participate in the plan is irrevocable during the plan/school year. Pay out prior to the standard distribution schedule may be made only in the event of the employee's termination or death. Under current federal tax regulations, these restrictions are necessary in order for the payments to be taxed when received by the employee.

To withdraw from the plan, the employee must sign and date a Deferred Pay Plan Form. This form must be returned to the Payroll Office by August 15<sup>th</sup> of the next school year. Termination becomes effective on the first paycheck in September to follow, and the employee's salary will revert back to a standard 10 or 11-month pay, effective on the first regular paycheck in September. If a participating employee dies, the money accumulated in Deferred Pay will be paid to the surviving spouse or children or to the estate, according to normal payroll policies and procedures.

### **Late Starts/New Hires**

If an employee is a late start or new hire, they will be able to elect Deferred Pay if hired on or before Jan 1. Election forms must be turned in no later than Jan 10.

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## Deferred Pay Plan Form Sign Up/Opt-out

Name:

EE ID:

Site/Location:

Please enroll me in the Deferred Pay Plan as described above.

Please remove me from the Deferred Pay Plan

**By signing below, I acknowledge that I am agreeing to the above designated Plan change. I certify that all information is accurate and that I understand the Deferred Pay Plan Options.**

**Employee Signature** \_\_\_\_\_

**Date** \_\_\_\_\_