

Bowling Green State University
Deferred Compensation (IRS 409A) Election Form for Full-time Faculty

The Internal Revenue Service (IRS) has issued new regulations (409A) concerning a change in tax law for individuals receiving deferred compensation. As BGSU offers full-time faculty the option of being paid over 9 or 12 months, this law may affect faculty who elect to have their academic year salary spread out over the 12 months from September to August, deferring part of their income from one calendar year to the next year.

If the requirements of section 409A are met, the deferred compensation covered by section 409A has no effect on the employee's taxes. The requirements are as follows:

- The full-time faculty member must give a written or electronic election to BGSU that they want to spread out their academic year salary over 12 months.
- This election must be made before the beginning of the work period, which is a deadline of August 1st for the academic year starting in September.
- The election is irrevocable once the academic year begins; it cannot be changed after the work period begins.
- The election must state how the compensation is going to be paid; for 12 months, equal monthly payments from September through August.

This election remains in effect each year unless you notify Human Resources in writing before August 1st of the academic year. If an employee does not submit an election, or submits the election after August 1st, the IRS requires that you be paid over the academic year, 9 payments from September through May. This election is irrevocable during the appointment period. If you elect to defer your salary over 12 months, you may not later change to a 9 month schedule during the academic year, or vice versa.

Please indicate your election below:

- I elect to spread my academic year salary equally over 12 months, which for full-time faculty will be the period of September through August annually.
- I do not elect to spread out my academic year salary. My academic year salary will be paid in 9 equal payments from September through May of the academic year.

My signature below indicates that I understand that this election is **irrevocable** during the academic year and that this may not be changed until the beginning of a new appointment year.

Please Print Name

Department

Signature

Date

Please return this form to **HR** as soon as possible, absolute deadline of August 1st or an election of 12 monthly payments is not permitted.