

To: Full-time Faculty, Department Chairs, and Deans

CC: Dr. Monica Brown, Senior VP for Student Affairs
Sherwin Collette, Senior VP, Administrative and Fiscal Services
Dr. Sharon Fechter, Interim Senior VP for Academic Affairs
Krista Leitch Walker, VP and Chief Human Resources Officer

From: Sophia L. Mason, Director, Human Resources Business Services
Office of Human Resources and Strategic Talent Management

Subject: Deferred Pay Program for FY24 (Academic Year 2023-2024)

Date: May 8, 2023

This memo serves as notice that the Deferred Pay Program is currently open for FY24 enrollment. Montgomery College offers all full-time faculty the option of having their salary paid over 12-months (26 paychecks) instead of the default 10-month (20 paycheck) pay structure. This option, known as the Deferred Pay Program (DPP), is available through the Workday HR/Payroll system and will again be offered for the FY24 Academic Year.

A faculty member who elects to participate in the DPP will remain in the program until one of four (4) events occurs:

- (1) The employee notifies the Office of Human Resources and Strategic Talent Management (HRSTM) to cease their participation in the program at the end of the academic year for the subsequent academic year with annual salary spread over 26 pay periods;
- (2) The employee moves into a 12-month position, at which time the accumulated deferment will be paid as a lump sum;
- (3) The employee goes out on any type of extended leave of absence (e.g., FML, intermittent FML, Sabbatical Leave, etc.), at which time the accumulated deferment will be paid as a lump sum; or
- (4) The employee leaves the College, at which time the accumulated deferment will be paid as a lump sum.

For employees on extended leaves of absence

Pursuant to the configuration of all types of extended leaves of absence in Workday, **faculty who will be on ANY types of extended leave of absence** (e.g., Family Medical Leave [FML]),

intermittent FML, Sabbatical Leave, etc.), even if they remain in a 100% paid status, **are ineligible to participate in the DPP for Academic Year 2023-2024. If you begin the AY in DPP and go on a leave of absence, your full DPP balance to date will be paid out, less statutory withholdings, and your DPP deductions will end for the remainder for the AY.** Though we are looking into whether there is an alternative way to allow deferred pay for faculty on any type of leave in the future, this option is currently unavailable. Therefore, we must plan accordingly.

We understand that the DPP is often preferred as it is a convenient way to set aside a portion of a 10-month salary to cover the summer pay periods that faculty would otherwise not be paid for, providing consistent deposits without interruption. In order to achieve the same financial goal if you are ineligible to participate in DPP, we recommend using your Payment Elections in Workday to have a portion of your regular pay directly deposited into a secondary account to accumulate for later use. Then, you can schedule an internal transfer to deposit a portion of the deferred pay back into your main account. Please refer to the [Manage Payment Elections job aid](#) for guidance; and please let HRSTM know if we can assist you with making these arrangements on your own.

Deferred Pay Acknowledgement Form for FY24

The online [Deferred Pay Acknowledgement Form](#) must be completed if you wish to participate in the DPP during the FY24 Academic Year. This form is also required if you wish to cancel existing participation. **All acknowledgement forms for the FY24 Academic Year are due to HRSTM for processing by August 1, 2023.** Employees currently enrolled in the Deferred Pay Program that wish to remain enrolled **do not** need to complete this form.

Additional DPP details

Please visit the [Deferred Pay Program page](#) on the HRSTM website for more information and reminders, including eligibility, how DP deductions are calculated, and benefits and limitations of the program.

Questions and completed forms

Please direct your DPP questions to [Rosalee D. Law](#). Thank you for your time and attention.

SLM:rdl