

**Teton School District No. 401**

**PERSONNEL**

**5815F(1)**

Notice of Election for Annualized Salary

*(This form should be used by districts who choose to offer the annualized election to employees.)*

*(The School District should provide this document to all school employees who work less than 12 months and choose to be paid over 12 months. This document should be provided to school employees before the beginning of the work period for the 2008-2009 school year so that the employee can complete the form before the beginning of the work period for the 2008-2009 school year.)*

This is to notify the Teton School District that I have elected, beginning with the 2008-2009 school year, to have the salary for the approximately ten (10) month period during which I actually perform services paid out over a twelve (12) month period. My total salary is \$\_\_\_\_\_.

The payments should be made in [choose one]: *(The District should make available which of the following options it is allowing.)*

- \_\_\_\_\_ 12 equal monthly payments
- \_\_\_\_\_ 24 equal bi-monthly payments (or 26 equal payments every two weeks)
- \_\_\_\_\_ Equal monthly payments beginning in the month of September, or on the date specified in any applicable collective bargaining agreement, with a final lump sum payment in June encompassing all remaining payments due for June, July, and August or the final 3 months of the 12-month payment period.
- \_\_\_\_\_ Equal bi-monthly payments beginning in the month of September, or on the date specified in any applicable collective bargaining agreement, with a final single lump sum payment in June encompassing all remaining payments due for June, July, and August or the final 3 months of the 12-month payment period. [If the employer or the collective bargaining agreement allows, the employee may have other options for how the salary will be paid out, and the notice of election form should be drafted to permit the employee to elect to utilize these options.]

If I elect to receive payments in a form that includes a lump sum payment in June encompassing all remaining payments due for June, July, and August or the final three months of the 12-month payment period, the employer shall retain full discretion to pay the amount of this lump sum in the form of equal monthly or bi-monthly payments over the final three months of the 12-month payment period.

In the event a separation from service occurs before the end of the 12-month payment period, I will be entitled to an additional payment for the amount I have actually earned from the beginning of the 12-month pay period until the date of my separation from service, but which has

not yet been paid. This additional payment will be included in my final paycheck. For this purpose, "separation from service" shall have the same meaning as that term is defined in section 1.409A-1(h) of the Treasury Regulations.

This notice is irrevocable for any particular school year, and may not be changed or withdrawn after the beginning of the school year in which I am working. This notice will be effective for the 2008-09 school year and all following school years, unless I choose to change my election. If I choose not to have my salary deferred in any future school year and be paid only during the period that I actually perform services, I will so notify the employer in writing prior to beginning work for that school year.

This notice shall have no effect if not submitted to the district prior to the time I begin working for the 2008-09 school year.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Employee ID Number: \_\_\_\_\_

**Reminder to Employees:** This form must be submitted to the district before the beginning of the work period for the 2008-2009 school year.

Legal Reference: I.C. §§ 45-606 through 45-617 Claims for Wages

Other Reference: Internal Revenue Service, Newsroom Article, Announcement IR-2007-142, August 7, 2007, "New Rule Will Not Affect Teacher Salaries in Upcoming Year"

Internal Revenue Service, Newsroom Article, August 7, 2007, "Frequently Asked Questions: Sec. 409A and Deferred Compensation"

Policy History:

Adopted on: August 10, 2009

Revised on: May 17, 2010

*(This policy is for informational purposes. If you have any questions regarding the IRS Rule, annualized elections or any other accounting issues, please contact the District's tax advisor or legal counsel.)*