

## Faculty Payment Option Form Frequently Asked Questions

Nine month faculty members in regular tenured/tenure-track and renewable contract appointments will have the option to receive their base salary in 20 biweekly payments (paid over 9 months) or 26 biweekly payments (paid over 12 months). To ensure correct and timely salary payments beginning in August, faculty must complete and return the signed faculty payment option form to their department's payroll/HR coordinator by August 1<sup>st</sup> and the form must be attached to the hire/job change ePAF. Failure to attach this form to the ePAF could result in delayed payment.

Those that elect to receive their payments over 12 months are deferring a portion of the income they have earned in one calendar year to the next calendar year and could be subject to additional taxes under Internal Revenue Code (IRC) Section 409A if certain criteria are not met.

### **1. What criteria must be met to avoid additional taxes?**

Per IRC Section 409A, employees will not be subject to additional taxes if;

- The amount of income deferred to calendar year 2025 does not exceed \$23,000 (IRC Section 402(g)).

AND

- The total contract amount for the 24-25 academic year does not exceed \$199,300.

### **2. Is summer salary or pay for additional assignments included in this income limit?**

No, your summer salary or pay received for any additional assignments are not part of the academic year contract amount and are not subject to regulations provided in IRC Section 409A.

### **3. What if I decide in the middle of the year that I want to be paid over 9 months instead of 12 months?**

Your election for the academic year is irrevocable after the commencement of the academic year per IRC Section 409A. Changes cannot be made to the pay frequency until the next academic year and a new form must be submitted to your department's payroll/HR coordinator.

### **4. Will I need to complete an election form every year?**

No, your election will remain in effect unless a new Faculty Payment Option Form is submitted to your department's payroll/HR coordinator no later than August 1<sup>st</sup> of the next academic year.

### **5. What if I step down from an administrative role to a faculty role?**

A Faculty Payment Option Form must be completed and submitted to your department's payroll/HR coordinator prior to the start of your first biweekly pay

period in the new faculty role indicating whether you would like to continue to be paid over 12 months or change your payment frequency to 9 months.

**6. Who should I contact if I have any questions?**

- For questions about the Faculty Payment Option Form please contact [payroll@ou.edu](mailto:payroll@ou.edu).
- For questions about academic appointments please contact the Provost Office APR team.
- For questions about biweekly pay please contact [paydaychange@ou.edu](mailto:paydaychange@ou.edu).