

NEWBURGH ENLARGED CITY SCHOOL DISTRICT

ELECTION TO DEFER SCHOOL DISTRICT COMPENSATION FOR COMPLIANCE WITH U.S. TREASURY REGULATION SECTION 1.409a-2 (A) (14)

(This election is effective 7/1/2008 and supersedes any prior election statement.)

The election statement below is intended to meet the requirements of U.S. Treasury Regulations Section 1.409A-2(a) (14). If a school employee wishes to receive their salary spread over a 12-month period (26 pays September-June) versus receiving all total compensation during the regular school year (21 pays September-June), this election form must be completed. The election must be made before the beginning of the school year to which it applies.

DEFERRED PAYROLL ELECTION

I, _____(print name), elect to receive my school year compensation spread over a twelve (12) month period instead of only during the school year (21 pays September-June). I understand that my compensation will be divided by 26, with 21 pays occurring on a bi-weekly basis from September-June and the remaining 5 pays occurring in the last pay date before June 30th.

My election is effective the first (1st) day of September, 2008 for the 2008-2009 school year and thereafter, until I revoke this election for a subsequent school year.

I understand that my election is irrevocable once the school year begins. It may only be changed after the entire school year is over for a subsequent school year. However, I further understand that my election will remain in place until I elect to change it. If I want to change my election and begin to receive my entire compensation during the school year (21 pays September-June), I must notify the District in writing. That change must be made before the beginning of the school year to which the change applies.

Signature: _____

Date: ___ / ___ / _____

NEWBURGH ENLARGED CITY SCHOOL DISTRICT

DEFERRED PAYROLL ELECTION

Employees are hereby informed of new IRS regulations impacting employees who elect to participate in deferred payroll. We have now been notified that employees, who elect a 26-paycheck option and sign the attached deferred payroll election form, **will NOT be subject to an additional 20% withholding tax.**

Employees who elect a 26 paycheck option must sign and return the revised election form (other side of this page) before July 1st. This election is irrevocable for that school year, and will remain in effect until you elect in writing to change it for a subsequent school year. Once a school year has started, it cannot be changed for that school year.

If you have any additional questions for subsequent school years, please contact the Business Office.