



Deferred Compensation (409A) Election Form for Faculty

The Internal Revenue Service (IRS) has issued new regulations (409A) which relate to a change in tax law for individuals receiving deferred compensation. This law affects full time faculty who elect to have their regular academic year salary spread out over the 12-month period of September 1st through August 31st, thus deferring a part of their income from one taxable (calendar) year to the next. The IRS website provides more information at: <http://www.irs.gov/newsroom/article/0,,id=172883,00.html>

Because Drake University offers faculty the option of being paid over 9 or 12 months, faculty who would like to have their academic year salary paid over the 12 month period of September 1st to August 31st annually must make an election before the first day of classes in which they begin work. Faculty who begin teaching on August 25, 2008, must make this election no later than August 18, 2008. This election does not alter the terms of your appointment, nor does it affect any summer salary paid out over the summer.

This election is termed "evergreen" which means it will remain in effect each year unless you notify Human Resources in writing by completing a new election form prior to the first day of classes for the academic year. **This election is also irrevocable during an appointment year.** If you elect to defer your salary over 12 months, you may not later change to a 9 month payout schedule during that same academic year.

Please indicate your election decision below:

- I elect to spread my academic year salary over 12 months, which for continuing faculty will be the period of September 1st through August 31st annually.
- I do **not** elect to spread my academic year salary. This will result in your pay being distributed over the period of September 1st through May 31st annually.

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

Please Print Name

Drake ID Number

Signature

Date

This form must be returned to Human Resources no later than August 18, 2008

The IRS requires that faculty who do not submit an annual election form by the deadline must be paid over the appointment period September 1st through May 31st.