



HUMAN RESOURCES

Mission: Mat-Su Borough School District prepares students for success

What is a Summer Pay Election? The State of Alaska Division of Retirement and Benefits will not allow an employee who works hourly to receive their wage over a time period other than what they actually work. This means that employees who work the school term cannot elect to receive their pay spread out over the entire fiscal year. To still provide the option to employees to receive pay over the entire year, and not just the school year we have developed an election to allow employees to continue to receive pay after their normal work assignment to cover the summer months. We are calling this option the "Summer Pay Election."

How does the Summer Pay Election Work? Employees will have the option to have withheld from their Net Pay money to be paid later and effectively spread their pay over 24 periods. This amount will be held in an account for the employee. The employee will be able to request payment of the funds in this account at any time for an emergency with the balance being issued to the employee on their last regular pay but no later than June 30th of each year. The intent of the summer pay will be to withhold the amount necessary to provide the employee with 24 equal payments, five of which will be received at once in June to provide for income in the summer months.

If the State said the District couldn't spread pay why is this an option? This is allowable under all federal and state laws and provisions because the money is being held and paid back after all deductions and taxes have been accounted for.

Will this affect my taxes? No, this will have no impact, positively or negatively on your income taxes. The earnings you will have for the year do not change, you are simply electing to have some of your net earnings held for you and deposited in your regular account at a later date.

Will this affect my retirement? No, this will have no impact, positively or negatively on your state retirement or retirement elections (403(b), 457, etc.). Again the earnings you will have for the fiscal year will not change and all mandatory deductions and withholdings will be completed before any money is held.

Do I have to wait until June 30th to receive my money? No, you can access any money that has already been withheld at any time for an emergency. If you don't request the money prior to June 30 it will be processed on the last regular payroll for the fiscal year, sometime prior to June 30. Employees will only be able to request the money once prior to June 30th however, so anything held after your one time request will be paid to you on the final pay of the year. Remember the request prior to June 30 will only be for an emergency.

How much money do I have to set aside? The intent of this election is to effectively spread your annual earnings to be paid to you over equal payments, however that isn't a requirement. Elections can be made in increments of 100 dollars per pay period, but not more than 30% of your total net pay may be withheld.

Can I make this election at any time? With the exception of this year, you will only be able to make this election 7 working days prior to your first pay date. Once the election is made you will not be able to change this option until the next fiscal year. You will not be required to make this election each year unless a change is requested.

How do I know how much will be held to pay me over 24 periods? The calculations will be done on the required form. You will be required to enter your net pay from your previous check and also the number of pay periods you intend to extend to, not to exceed 24 total. The form will calculate the amount which will be withheld.

How do I know my normal number of pay periods? All employees are paid over 19, 20, 21, 22, or 24 pay periods. Employees who work only the student schedule (school monitors, server cashiers) are paid over 19 periods. Employees who work a schedule similar to teachers (tutor advisors, special education assistants) are paid over 20 periods. Employees who work a schedule similar to school administrators (school secretaries, some custodians) are paid over 22 periods. To know for sure you can contact the Human Resources or Payroll Offices.

What happens if I transfer to a position which has more pay periods? If this happens you will be given two options; one, continue with the current holdback and the balance will be paid on the final payroll, two, you may discontinue the hold back and the current balance of what you have already accumulated will be paid on the final payroll.