



Faculty Deferred Compensation

Academic Year Positions

It is UNC's policy that all full-time faculty members (.50 or greater annualized FTE) appointed for the academic year receive their salary paid to them on a monthly basis over a 12-month period, rather than on a monthly-basis over the 9-month academic year. To accomplish this, the University uses a payment process referred to as deferred compensation.

What is deferred compensation?

Each month, a portion of your salary is set aside and accumulated over the academic year, August through May. These accumulated earnings are referred to as deferred compensation.

How does it work?

Each pay period during August through May, a portion of your monthly salary is set aside. The amount that is set aside is equal to the difference between your academic year salary divided by 12 and your academic year salary divided by 10. By the end of the academic year in May, the accumulated amounts that have been set aside will equal two monthly payments, which are then paid to you during the summer months of June and July

Why does UNC do this?

In order to provide full-time faculty with a consistent monthly salary payment from August through July. Also, this method of payment provides a means for benefit deductions to be made during the summer months of June and July.

How will this be reflected on my pay voucher?

The monthly amount paid to you is noted as **Job Earnings – Reg Faculty FT Earnings**. It is equal to your academic year salary divided by 12.

The deferred compensation portion of your pay (the amount set aside) is noted as **Non-Cash Earnings – Deferred Pay Earn**. It is equal to 20% of your monthly salary or the difference between your academic year salary divided by 12 and your academic year salary divided by 10.

In June and July, your monthly payment is noted as **Job Earnings – Deferred Pay Out**, because these summer payments are made from the accumulated earnings that were set aside (deferred) during the academic year between August and May, as noted above.

Does this affect all of my positions?

No. Summer assignments or any additional service assignments are not part of the deferred compensation. Only one position is required to be placed on deferred compensation and it is usually the employee's primary position.