



Faculty Deferred Compensation

Spring Semester Positions

It is UNC's policy that faculty members appointed full-time for the spring semester (.40 or greater annualized FTE) receive their salary paid to them on a monthly basis over a 7-month period, rather than on a monthly-basis over the 5-month spring semester. 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 spring semester, January through May. These accumulated earnings are referred to as deferred compensation.

How does it work?

Each pay period during January through May, a portion of your monthly salary is set aside. The amount that is set aside is equal to the difference between your semester salary divided by 7 and your semester salary divided by 5. By the end of the semester 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 January 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 spring semester salary divided by 7.

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 semester salary divided by 7 and your semester salary divided by 5.

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 semester between January and May, as noted above.

Does this affect all of my positions?

No. Summer assignments or any additional service assignments during the semester 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.

Why is my spring semester payment different than my fall semester payment?

It is UNC's policy that faculty members appointed full-time for the fall semester (.40 or greater annualized FTE) receive their salary paid to them on a monthly basis over the 5-month semester. The deferred compensation payment process is not used for full-time fall semester positions. Because fall salaries are paid in 5 payments and spring salaries are paid in 7 payments, the monthly payment amounts may be different for each semester when the faculty member is hired for each semester independently, rather than hired for the academic year.