



Board Action Required

No Action Required

To: CISD Board of Trustees
From: Judy Denman
CC: Dr. Jeff Turner
Date: August 1, 2008
Re: DEA (LOCAL)

DEA (LEGAL) –

COMPENSATIONS AND BENEFITS – SALARIES AND WAGES

Employee Issues – Annualized Compensation

New IRS rules apply to districts that have employees who work less than 12 months but are paid on an annualized basis. To avoid the assessment of tax penalties against employees, districts that annualize compensation must make a formal election to pay employees on an annualized basis and must provide employees with notice of the payment arrangement before the school year begins.

DEA (LOCAL) – New policy to be considered

Recommended provisions have been added to this local policy requiring the district to pay all salaried employees over 12 months – regardless of the number of months the employee works. Districts are required to notify employees regarding payment arrangements before employees begin to work.

Additionally, provisions have been added addressing how employees who resign before the end of the 12-month pay period will be paid their remaining wages.

[DEA (LOCAL) is required to be distributed to employees before they report for work.]