



### Memorandum

**TO: All SMU Faculty**  
**RE: Contracts and Annualized Compensation for Academic Year 2021-2022**

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IRS regulations related to deferred compensation require a written election to annualize the payments if you elect to be paid over a period longer than your contract period. The deferred compensation rules are related to your salary payments made outside of the contract period. If you are not electing to be paid over 12 months, there is no deferred compensation.

A written election must be made if:

- You are a new faculty member for Academic Year 2021-2022
- You are electing to be paid over **12 months** for Academic Year 2021-2022
- You are changing your election from the previous year (to either 10 or 12 months)

Please see the following form for further details and to make your election. **Please initial your election, sign the form, and return it with your faculty contract prior to beginning work, to ensure compliance prior to the start of the academic year.**

As with any income tax matter, please contact your personal tax consultant if you have any questions.

