# Academic Year 26-Pay Option FAQs

General Questions:

**What is the AY 26 Pay option?**

*The default pay frequency for academic year faculty is 20 paychecks during the academic year. MSU is now offering an alternative pay option for academic year (AY) MUS-contract tenured/tenure-track faculty. MUS faculty will now have the option to be paid over 26 paychecks over the course of the year, meaning pay would be issued during the summer for the previous AY contract period.*

**Who is eligible for the AY 26 Pay option?**

*Only MUS-contracted AY tenured/tenure-track faculty are eligible for this pay option. Non-tenure track faculty, non-faculty MUS-contract employees, and academic year classified employees are not eligible.*

**How do I know if I want to make this election?**

*This election is the faculty member’s choice. A key factor to consider is whether you are normally appointed over the summer. For those faculty who aren’t generally paid during the summer, or are paid a modest amount, the 26-pay option may work best. For those who normally receive a summer salary, remaining with the traditional 20-pay option may be the better choice.*

**How do I make this election?**

*In April 2024, you will receive an election form from Human Resources. You will need to complete the form and return it to Human Resources. Please look for that form in your email box in April.*

**Do I need to make this election every year?**

*No, your election will remain the same from one year to the next.*

**What if I make this election and then change my mind?**

*Please understand that you will not be able to regularly change your election between 26 pays and 20 pays. If you elect to receive 26 pays, you may not be able to return to the default 20 pay schedule at the time you would like. Further, mid-year changes to your pay schedule cannot be made. We strongly recommend selecting a pay schedule and sticking to it.*

**What if I do nothing?**

*If you take no action your pay schedule will remain as-is.*

Benefits:

**Will this change affect my base retirement contributions?**

*No. Basic retirement contributions are based on a percentage of your salary. The annual salary will remain unchanged, so there will be no change to retirement contributions.*

**Will this affect my supplemental retirement?**

*If you currently have additional retirement deducted from your paycheck, the amount currently elected per biweekly pay will apply to the 26 pays.*

*Example:*

*On the standard 20 pay option, you deduct an additional $100 per pay period toward a supplemental retirement plan, for a total annual contribution of $2,000.*

*If you elect the 26 pay option, the $100 per pay period will continue, for an annual grand total of $2,600.*

*You may change the amount of your contributions to the supplemental retirement plans at any time. Please visit the benefits website for those instructions:* [Pension and Retirement | Montana University System (mus.edu).](https://choices.mus.edu/Pension_retirement1.html)

**Will this change affect my medical benefits premiums?**

*Your benefits coverage will not change, nor will your premiums. Instead of deducting premiums from 20 paychecks, premiums will be deducted from 24 paychecks, for the same total annual amount. (We have two paychecks that are a deduction holiday when benefit premiums are not taken out, hence 24 paychecks instead of the full 26.)*

*Example: You pay $4,000 per year in medical costs. On a 20-pay cycle, $200 would be deducted from each paycheck. If the 26-pay option is selected, then deductions would be spread over 24 paychecks at $166.67 per pay.*

Pay:

**Will this election affect my total salary?**

*No, this option will neither increase nor decrease your total annual salary. Academic year faculty who elects the 26-pay schedule will receive smaller amounts per each biweekly paycheck, as the total annual salary is spread over more paychecks.*

**How much salary will I earn per paycheck if I change my pay schedule?**

*To calculate your biweekly pay, divide your annual salary by 26 to calculate your new gross (before taxes) pay. If you would like a customized 26-pay take-home (net) pay estimate, please contact* *msupayroll@montana.edu*

**Will this affect my summer salary?**

*Regardless of which pay schedule you elect, salary for summer appointments will continue to be paid as usual over the summer.*

**Will this election affect my IPR?**

*If you are currently participating in the Incentive Program for Researchers (IPR) and you wish to move to a 26-pay option, please reach out to your department fiscal contact to make any appropriate changes to the labor distribution.*

**Will this election affect how often my cell phone allowance will be paid?**

*The total yearly amount of your cell phone allowance will be spread over 24 payments if you elect this option.*

**Will this election affect my direct deposit?**

*If you are set up to receive your pay via direct deposit, that will automatically continue if you elect the 26 pay option.*

**If I’m paid over the summer, will this election require me to submit a timesheet?**

*No, timesheets for your regular AY faculty position are turned off for the summer. If you are appointed during the summer session and need to report any sick leave used, please let your Department Head and department business operations manager know.*

**Will this election require me to make changes to my tax withholdings?**

*No changes are needed to your current tax withholdings. Your income will continue to have taxes withheld according to the Federal W-4 and State W-4 forms you currently have on file. Your earnings will have taxes withheld based on the biweekly tax schedules set by the Internal Revenue Service and the Montana Department of Revenue.*

**What if I leave MSU?**

*Please let your department know in a timely manner if you are retiring or leaving MSU. Once HR is notified of your termination date, you will receive the balance (if any) of your contracted amount on the next available payroll following termination. Faculty who will not return to teach the following Fall semester will receive the balance of their pay and will be covered by medical benefits through May.*

Leaves and Holidays:

**If I elect this pay option, will I begin to accrue annual leave?**

*No. You will still be on an AY contract which is a position that does not accrue leave.*

**Will this election change how sick leave is accrued?**

*No, your sick leave accrual rate will remain unchanged. You will continue to accrue sick leave at a rate of 3.6 hours per pay period during the academic year.*