TO: 10-Month TABCO Represented Employees

FROM: Chris Hartlove, Chief Financial Officer
       Homer McCall II, Acting Sr. Executive Director, Division of Human Resources
       Robin Carpenter, Director, Office of Payroll

CC: Cindy Sexton, TABCO President

SUBJECT: School Year 2023–2024 Extended Pay Option Program for 10-Month TABCO Represented Employees

Background

Baltimore County Public Schools (BCPS) will continue to offer the Extended Pay Option Program for 10-month Teachers Association of Baltimore County (TABCO) represented employees for school year 2023–2024. Below is detailed information regarding the program.

I. PURPOSE
   A. To continue to provide 10-month TABCO represented employees an Extended Pay Option Program to spread their pay over 12 months.

II. RESPONSIBILITY
   A. Ten-month TABCO represented employees who elect to participate in the Extended Pay Option Program for the 2023–2024 school year will have funds deducted from their regular biweekly gross pay and held in reserve. The funds held in reserve will be paid over additional pay dates during the months of July and August.
   B. Consequently, employees choosing this option should expect the following:
      1. A decrease of approximately 19% in gross pay in each paycheck to spread pay over twelve months.
      2. Net pay, or take-home pay, will be reduced approximately 20-22% subject to tax and benefit elections.
      3. No change in annual salary or hourly wage.
      4. No change in tax liability even though tax withholding may vary.
      5. No change to leave accruals.

Please note: The money employees elect to set aside for summer payment earns no interest while BCPS holds it. The employee’s participation is a one-year commitment. BCPS will refund any unremitted funds to employees upon termination of employment. There are no refund exceptions for emergencies of any kind.
III. PROCEDURES

A. Extended Pay Option Program Process

1. All 10-month TABCO represented employees who opt to participate in the 10-Month Extended Pay Option Program must enroll by submitting the 10-Month Extended Pay Electronic Option Form. **The enrollment period is from March 28, 2023, to April 28, 2023.**
   
a. Instructions for submitting the 10-Month Extended Pay Electronic Option Form are included at the end of this memorandum.

b. BCPS will not process enrollments received after **April 28, 2023**. Enrollment is only allowed after this date for newly hired 10-month TABCO represented employees. All newly hired 10-month TABCO represented employees will be automatically enrolled in the standard 10-month, 22 pay cycle. New hires must elect to be enrolled in the 10-Month Extended Pay Option Program during the onboarding process.

c. The enrollment window for the 10-Month Extended Pay Option for new hires will close on **August 1, 2023**. 10-month TABCO represented employees hired after August 1, 2023, for the 2023–2024 school year will have to wait until the spring 2024 open enrollment window to elect to participate in the 10-Month Extended Pay Option Program for the 2024-2025 school year.

2. 10-month TABCO represented employees that enroll in the 10-Month Extended Pay Option Program will automatically continue in the program during the subsequent school year unless an election form requesting a change back to the 10-month pay option is submitted by April 28, 2023. BCPS will not process election forms received after this date.

3. Early or Partial Withdrawals – BCPS prohibits partial or full withdrawals during the plan year.

B. Extended Pay Option Adjustments

1. When an employee is on leave without pay or is in unpaid leave status, the amount of the summer payment will be impacted.

2. Employees who are placed on approved leave without pay status through the end of the school year will be removed from the 10-Month Extended Pay Option Program for the remainder of the fiscal year. The accumulated funds held in reserve will be paid unless there is an overpayment resulting from one or more of the following: leave of absence, resignation, retirement, termination, promotion, or transfer. Payment of the total accumulated funds (if due) will be paid during the scheduled summer pay cycle. Employees must re-enroll during the spring 2024 open enrollment period, if they wish to resume participation in the program.

3. The only deductions taken during the summer pay periods will be mandatory taxes (federal, state, Medicare, and social security), wage collections, child support orders, state and federal tax liens, and court-ordered garnishments on wages. Benefit deductions (health insurance, tax-sheltered annuities, retirement, credit union, etc.) will follow the same schedule announced for all employees and will be deducted from payments received during the standard 10-month, 22 pay cycle.

4. Employees are responsible for notifying the Office of Payroll in a timely manner of discrepancies with garnishments, child support and tax liens.
C. 10-Month Extended Pay Option Program Disclosure
1. Employees enrolled in the 10-Month Extended Pay Option Program who subsequently vacate employment or encounter a break in service are subject to having the extended option reserve funds applied against any amount owed to BCPS in their final paycheck.
2. All lump sum 10-Month Extended Pay Option Program payments are subject to the supplemental rate tax which is approximately 22% for federal; 6.2% for social security; 1.45% for Medicare; and 5.75% for Maryland State.

D. Processing Errors or Enrollment Corrections
1. BCPS is committed to honoring employee requests to take advantage of the 10-Month Extended Pay Option Program.
2. BCPS will expedite corrections or adjustments of deductions associated with errors related to processing or enrolling employees in the plan.
3. Summer pay will be based on the total amount withdrawn and placed in reserve during the school year. There are no options for catchup deductions.
4. BCPS will make every effort to investigate any reported errors and take corrective action and communicate with the affected employees as soon as possible.
5. BCPS is not responsible for 10-Month Extended Pay Option Program enrollments that are not submitted by the close of the designated enrollment period. The enrollment procedure will generate an e-mail notification to each employee at their BCPS email confirming receipt of their enrollment form.

IV. ENROLLMENT INSTRUCTIONS
A. Instructions
1. BCPS will provide a link to the Online Enrollment each year during the spring enrollment period. New hires receiving offers of employment after spring enrollment can enroll via the SilkRoad onboarding system.
2. Employees will then select 10-month or 10-Month Extended Pay Option and acknowledge the disclaimer. It is strongly recommended that employees select the option to receive an email copy of their response or print their election form from the onboarding system.
3. If employees decide to alter their choice, they have until April 28, 2023, to submit another form. Once the program window closes, the LAST form submitted will be used to enroll the employee.

B. BCPS offers the online enrollment process each spring. If employees opt in to participate, they will be locked into the 10-Month Extended Pay Option Program for the school year.

C. Payroll deductions begin with the first regular paychecks in September 2023 and add to a BCPS reserve account for payout during the summer of 2024.

Please direct any questions regarding this memorandum to twelvemonthpay@bcps.org.