



# Faculty Pay Schedule Reform Frequently Asked Questions

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## General Overview

### Why are pay schedules changing?

Changes to faculty pay schedules will take effect starting July 1, 2020 as part of the deployment of Princeton University's new academic calendar. More on calendar reform can be found at the following link: <https://calendarreform.princeton.edu/>

### What are the pay schedule changes?

Beginning July 1, 2020, eligible faculty on an academic year appointment (9 months) will have the choice to receive their pay over a 9-, 10- or 12-month schedule.

- Faculty selecting a 9-month schedule will receive their academic year salary over the academic year (September through May). No payments during June, July and August.
- Faculty selecting a 10-month schedule will receive their academic year salary over 10 months (September through June). No payments during July and August.
- Faculty selecting a 12-month schedule will receive their academic year salary over 12 months (July through June).

### Will my salary be reduced?

No. This transition will not result in a salary reduction for any employee. Paychecks are simply moved to either a 9-, 10- or 12-month schedule.

### How will I benefit from the change?

By providing these options, faculty can select the best pay schedule for their needs. Faculty who do not earn summer salary may benefit from the 12-month schedule as it eliminates the pay gap in the summer for faculty not receiving summer salary and provides regular cash flow, making it easier for personal budgeting. Faculty who earn summer salary may find the 9- or 10-month schedule more appealing as it provides a more even cash flow throughout the year. The changes also move Princeton more in line with our peer institutions who either follow a 12-month schedule or give similar options to choose.

## Eligibility

### Who is affected by the transition?

All assistant professors, associate professors and full professors (“ladder” faculty) will be impacted by the faculty pay schedule change and must select either a 9-, 10- or 12-month payment schedule.

Newly-appointed or rehired ladder faculty in their first year will have the option to choose a 9-month schedule (pay from September through May) or a 10-month schedule (pay from September through June). After the first year, all three payment schedules will be available to choose.

### How are non-ladder faculty ranks impacted?

Non-ladder faculty ranks continuing after the first academic year of appointment will receive their academic year salary over 12 months.

Non-ladder faculty on single term appointments will be paid over the period that they earn:

- Fall term only appointments will receive 4.5 months of pay spread over 5 paychecks (September through January).
- Spring term only appointments will receive 4.5 months of pay spread over 5 paychecks (January through May).

Note: All *non-faculty* ranks currently earning pay over 12 months will remain on the same schedule (i.e., paid over 12 months).

## New Faculty

### I am a new faculty member starting in September. How will my paycheck be affected?

Newly-appointed or rehired ladder faculty in their first year will have the option to choose a 9-month schedule (pay from September through May) or a 10-month schedule (pay from September through June). After the first year, all three payment schedules will be available to choose.

### Does the new pay schedule impact start dates for new hires?

The default start date for all new hires will remain September 1.

## Faculty Leaving

### What happens if I am on a 12-month schedule, but leave the University prior to the end of June?

Faculty who retire or resign at the end of the academic year will receive a balloon payment at the end of May, which will include both their May and June payments. If a faculty member should leave the University in the fall, they will be expected to repay the University for any money received, but not yet earned.

## Enrollment Process

### How do I select my payment cycle?

An open enrollment process will be available to faculty, similar to the benefits process. On April 13, 2020, eligible faculty will receive an email notification that a new tile on their HR Self Service is available. To make a pay schedule choice through the HR Self-Service portal, please select the **Faculty Pay Election** icon: (<https://hr.princeton.edu/myhr/application-systems>).

### When is open enrollment?

The annual enrollment period for the 2020-21 academic year will be open from April 13 through May 8, 2020. Faculty will be notified via email once the enrollment site is live. Elections will be made through a new tile found on the HR Self-Service website, on the same page where one makes elections for benefits.

During the election period, eligible faculty may return to the site and make as many changes as they wish. However, once the election period has closed, they will not be able to make any changes until the next election period for academic year 2021-22.

### What happens if I do not select an option in time?

Faculty who do not submit an election by May 8, 2020 will automatically default to the 10-month schedule (September through June). This schedule follows the model currently in place.

### Can I change my payment schedule after open enrollment ends?

No. Due to IRS regulations, we cannot change payment schedules mid-year. You must wait until the next annual selection process to make changes.

## Summer Salary

### Am I still eligible for summer salary?

Yes. These changes to the faculty pay schedule will not impact summer salary. Eligible faculty will have the ability to earn summer salary regardless of whether they opt to receive their pay over 9, 10 or 12 months. Faculty who select the 10- or 12-month schedule will receive their summer salary payments in addition to their monthly academic salary pay.

### How does this affect summer salary?

Eligible faculty can earn summer salary regardless of whether they choose the 9-, 10- or 12-month schedule. The maximum amount of summer salary that a faculty member can earn remains 2.5 months (provided at least 0.5 comes from outside sources). However, the time during which eligible faculty can earn summer salary will shift to June 1<sup>st</sup> through August 31<sup>st</sup>.

### How will summer salary be calculated?

There will be no change to how summer salary is calculated. Summer salary earned in June, July and/or August will use the new FTE academic salary effective July 1<sup>st</sup>.

### Can I earn summer salary during the full month of June 2020?

2020 is a transition year. Due to classes beginning September 2, 2020, faculty will only be eligible for summer salary for half of June (.5 month), July and August in 2020. In future years, summer salary can be earned in June, July and August. There will be no changes to maximum earnings of 2.5 months (0.5 from outside sources).

## Deductions

### How will my optional deductions be affected?

The University will maintain the current process of salary deductions with payroll deducting from paychecks whenever possible. Examples of deductions are health benefits, the mortgage program payments, and University-owned rental housing payments. Additional information is available for each of these programs below.

## Health Insurance

### Will there be changes to health insurance deductions?

Health insurance payments will continue to be deducted on a monthly basis whenever possible.

Faculty members who do not receive a paycheck in the summer months will have their health insurance premiums taken out in their September and October paychecks in equal installments.

## Mortgage Deductions

### How will this impact my current mortgage deductions?

For those who participate in the Princeton mortgage program, all current mortgages are written with 10-month amortization schedules and mortgage holders are charged over 10 months from September through June.

Current participants who choose a 9-month pay schedule will be invoiced separately for the June payment, unless they receive summer salary (in which case it will be taken out through payroll deduction).

### I want to sign up for the mortgage program this year. How will I be impacted?

Future mortgages in the Princeton mortgage program will be written with a 12-month amortization schedule and mortgage holders will be charged over 12 months.

New participants who choose a 9- or 10-month pay schedule will receive a bill during any month they do not receive payment (i.e. summer salary).

### Whom may I contact if I have questions on the Princeton Mortgage Program?

For questions related to the Princeton Mortgage Program, please contact Dede Nissen by email at [nissen@princeton.edu](mailto:nissen@princeton.edu) or by phone at (609) 258-3123.

## University Rental Housing Deductions

### Will there be changes to the University rental housing deductions?

Rental contracts are written from the date of occupancy through the following June and payments will continue to be collected monthly, preferably through payroll deduction.

Faculty who choose a 9- or 10-month schedule will be required to mail a check or drop off payment at the FSC for any month they do not receive a paycheck from the University (i.e. summer months). An email will be sent as a reminder.

### Whom may I contact with questions?

For general inquiries, please contact the Office of the Dean of the Faculty at [dof@princeton.edu](mailto:dof@princeton.edu). A full list of contacts can be found online [here](#).