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# Summer Holdback for 10-Month Employees

Presented by HR and Finance

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# What...

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Summer Holdback is essentially holding pay out of an employees' check, to be paid out over the summer

# Why...

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For employees to have some income over the summer

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# How does it work?

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- Employees to have 13% withheld of each paycheck
  - Smaller take home pay in 20 pay periods (10-months)
  - Employees see additional 3 paychecks in the summer
  - Employee can see Summer Holdback Pay accrual in each paystub
  - Summer Paychecks have no deductions and is as close to regular salary as financially possible
  - When terminating, employee receives two pay checks, regular and Summer Holdback
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# Guidelines

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- Annual Enrollment Form
  - AIMS communicate to CSMC for processing
  - Eligibility is 10-Month employees
  - Summer payments are 7/15/19, 7/30/19, 8/15/19
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# Impact to AIMS

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It is essentially unpaid wages for the employer, and is a liability on the books. The Finance office must assure at all times that the liability amount remains in the cash account, available for withdrawal by the employee.

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# Simple employee example

<b><u>EXAMPLE</u></b>	<b>REG 10 MO</b>	<b>13%</b>	<b>SUMMER</b>
	<b>PAY</b>	<b>DEDUCTION</b>	<b>HOLD PAY</b>
Septemeber	\$ 3,000	\$ 390	\$ 2,610
October	\$ 3,000	\$ 390	\$ 2,610
November	\$ 3,000	\$ 390	\$ 2,610
December	\$ 3,000	\$ 390	\$ 2,610
January	\$ 3,000	\$ 390	\$ 2,610
February	\$ 3,000	\$ 390	\$ 2,610
March	\$ 3,000	\$ 390	\$ 2,610
Arpil	\$ 3,000	\$ 390	\$ 2,610
May	\$ 3,000	\$ 390	\$ 2,610
June	\$ 3,000	\$ 390	\$ 2,610
July (new Fiscal Yr)	\$ -	\$ -	\$ 1,950
August (new Fiscal YR)	\$ -	\$ -	\$ 1,950
<b>CONTRACTED PAY</b>	<b>\$ 30,000</b>	<b>\$ 3,900</b>	<b>\$ 30,000</b>