

To: Full-time Faculty, Department Chairs, and Deans

From: Ms. Rosalee D. Law, Manager, HRIS, Data, and Records Management
Dr. Sophia L. Mason, Director of HRSTM Business Services
Office of Human Resources and Strategic Talent Management (HRSTM)

Date: May 11, 2026

Subject: **Deferred Pay Program for FY27 (Academic Year 2026-2027)**

CC: Dr. Deidre Price, Senior VP for Academic Affairs/College Provost
Dr. Tiffany Ray-Patterson, Senior VP for Student Affairs
Mr. Sherwin Collette, Senior VP, Administrative and Fiscal Services/COO
Ms. Krista Leitch Walker, VP/Chief Human Resources Officer

This memo serves as notice that the Deferred Pay Program is currently open for FY27 enrollment. Montgomery College offers all full-time faculty the option of having their salary paid over 12-months (26 paychecks) instead of the default 10-month pay structure (20 paychecks). This option, known as the Deferred Pay Program (DPP), is available through the Workday HR/Payroll system and will again be offered for the FY27 Academic Year.

A faculty member who elects to participate in the DPP will remain in the program until one of four (4) events occurs:

- (1) The employee notifies the Office of Human Resources and Strategic Talent Management (HRSTM) to cease their participation in the program at the end of the academic year for the subsequent academic year with annual salary spread over 26 pay periods;
- (2) The employee moves into a 12-month position, at which time the accumulated deferment will be paid as a taxable lump sum;
- (3) The employee goes out on any type of extended leave of absence (e.g., Family and Medical Leave (FML), intermittent FML, Sabbatical Leave, etc.), at which time the accumulated deferment will be paid as a taxable lump sum; or
- (4) The employee leaves the College, at which time the accumulated deferment will be paid as a taxable lump sum.

For employees on extended leaves of absence

Pursuant to the configuration of all types of extended leaves of absence in Workday, **faculty**

who will be on ANY types of extended leave of absence (e.g., FML, intermittent FML, Sabbatical Leave, etc.), even if they remain in a 100% paid status, **are ineligible to participate in the DPP for Academic Year 2026-2027. If you begin the AY in DPP and go on a leave of absence, your full DPP balance to date will be paid out as a taxable lump sum, less statutory withholdings, and your DPP deductions will end for the remainder for the AY.** We will continue to look into alternative ways to allow deferred pay for faculty on any type of leave in the future, but in the meantime, we must all plan accordingly.

Leverage Payment Elections in Workday

We understand that the DPP is often preferred as it is a convenient way to set aside a portion of a 10-month salary to cover the summer pay periods that faculty would otherwise not be paid for, providing consistent deposits without interruption. In order to achieve the same financial goal if you are ineligible to participate in DPP, we recommend using your Payment Elections in Workday to have a portion of your regular pay directly deposited into a secondary account to accumulate for later use. Then, you can schedule an internal transfer to deposit a portion of the deferred pay back into your main account. Please refer to the [Manage Payment Elections job aid](#) for guidance; and please let HRSTM know if we can assist you with making these arrangements on your own.

Deferred Pay Acknowledgement Form for FY27

- **New DPP Enrollees:** The online [Deferred Pay Acknowledgement Form](#) must be completed if you wish to participate in the DPP during the FY27 Academic Year. This form is also required if you wish to cancel existing participation. **All acknowledgement forms for the FY26 Academic Year are due to HRSTM for processing by August 27, 2026.**
- **Current DPP Enrollees:** **No action is required.** Employees currently enrolled in the Deferred Pay Program that wish to remain enrolled **do not** need to complete this form.

Additional DPP Details

Please visit the [Deferred Pay Program page](#) on the HRSTM website for more information and reminders, including eligibility, how DP deductions are calculated, and benefits and limitations of the program.

Questions

Please direct your DPP questions to [Rosalee D. Law](#). Thank you for your time and attention.

SLM:rdl