

MONTCLAIR BOARD OF EDUCATION
2020-2021 SUMMER SAVINGS PLAN APPLICATION
(10 Month Employees Only)

Dear Montclair Board of Education Employee:

The district provides two options for a summer savings plan for 10 month employees. Below is a description of each option for you to review and make an informed decision as to which option would best meet your needs.

Option 1: District maintained summer savings plan – The district will deduct 10% of the employee’s salary from each of the 20 payrolls and pay the entire amount to the employee on June 30, 2021. All taxes are deducted from the employee before the deduction so that the payment at year end is the entire amount withheld. These funds will not earn interest.

Example: Annual Salary is \$55,025 multiplied by 10% equals \$5,502.50 to be paid on June 30, 2021
\$5,502.50 divided by 20 pays equals approximately \$275.12 per pay deducted from your pay check.

Some conditions/restrictions on this plan include:

1. The repayment of the summer savings funds will be a one-time payment on June 30, 2021.
2. The Summer Savings Plan enrollment application is due by August 7, 2020. Forms submitted after this date will not be honored.
3. The employee must have direct deposit.
4. The employee must have their pay stub emailed.
5. Once enrolled in the plan you may not stop the deductions during the course of the school year.
6. The employee may not withdraw their summer savings funds early for any reason other than termination or death.

Option 2: Essex County Teachers Federal Credit Union (“Credit Union”) – This is a Summer Pay Club at the Credit Union located at 125 Franklin Street, Bloomfield, NJ 07003. You would need to open an account with the Credit Union and each payroll an amount, as determined by you, will be deposited into your Summer Pay Club savings account. The funds will earn interest at the Credit Union’s designated interest rate.

Some conditions/restrictions on this plan include:

1. All funds become available July 1, 2021. Distribution options are available at the time of enrollment.
2. You may start/stop depositing funds into this plan at any point during the school year.
3. You may withdrawal your funds from the Credit Union prior to July 1, 2021, if necessary, for a small administrative fee.
4. You can choose to deposit any amount into the account. A worksheet is provided by the Credit Union to assist you with determining how much to deposit each pay.

Should you like to participate in Option 1, the District maintained summer savings plan, please complete the information below and forward to the Payroll Office at the Montclair Board of Education, 22 Valley Road, Montclair, NJ 07042.

I would like to enroll in the Montclair Board of Education’s Summer Savings Plan (Option 1) for the 2020-2021 school year. I have read the information above and acknowledge the conditions/restrictions of the plan.

Employee Name _____

Last 4 Digits of SSN _____

Email Address _____

Employee Signature _____

Date _____

If you are not already set up for direct deposit, you must complete the district’s Direct Deposit Agreement and submit it with this Summer Savings Enrollment Form. The form can be found on the District’s website at

http://www.montclair.k12.nj.us/departments/business_office/payroll/

This option does not carry forward each year. You will need to complete this form each year to enroll.