

Payment FAQ - Faculty Salary Class Action Settlement

Why are my eligible earnings for a given quarter different than expected?

The following quarter divisions were used for the settlement:

- Winter: 1/1 to 3/31
- Spring: 4/1 to 6/30
- Summer: 7/1 to 9/30
- Autumn: 10/1 to 12/31

In addition, Spring quarter during the 2005-2006 academic year does not include any earnings after 4/30/2006.

Why are my eligible earnings different than expected?

Per Clause 38 of the [Settlement Agreement](#), eligible earnings "does not include administrative supplements, temporary salary supplements, endowment supplements, additional salary paid to nine-month faculty members for fourth quarter duties, excess compensation, or compensation paid directly to faculty members by entities other than the University."

Why am I not receiving 2% of my eligible earnings as back-pay?

Section V of the [Settlement Agreement](#) stipulates a specific award to the class that is then divided on a pro-rata basis, not a straight 2% of eligible earnings. The information about the award amount and allocation of the pro-rata share of the award are described in the report that accompanies the settlement interest payment mailed on October 26, 2006. In summary, after payment of attorney fees to Plaintiff's counsel and payment to the Class Representative, \$12.2 million was available for payment to the class, 20% of which represents interest.

Why is my tax withholding on the settlement payment different than normal?

Per Clause 60 of the [Settlement Agreement](#), federal income taxes on the back-pay portion of the award are being withheld at the supplemental rate (as per IRS regulations, 25% after retirement reductions). The University did not withhold taxes on the interest portion of the award. Class members should be aware that the University takes no position as to any taxes that may be due.

How will the settlement payment affect my retirement contributions?

Clause 60 of the [Settlement Agreement](#) stipulates that the back-pay portion of the award (but not the interest portion) will be treated the same as regular earnings with respect to retirement contributions.

How will I receive my payment?

Each class member who was eligible to receive an award payment will receive an envelope containing an interest check and a report that details their eligible earnings and gross settlement payments. Those class members who currently participate in payroll direct deposit will receive the back-pay portion of the payment automatically in their account. Class members who do not participate in direct deposit will receive a separate back-pay check with their interest check.