



March 13, 2013

To: All Non-52 Week CPS Employees

Re: DEFERRED COMPENSATION ENDING

Beginning next school year (Fiscal Year 2013-2014), CPS will no longer offer employees the option to defer compensation. Going forward, non-52 week employees will be paid their earnings during the time period in which they work. Earnings will no longer be spread over a 12-month period.

Employees will make their last contribution to deferred pay in the paycheck they will receive on July 12, 2013. Deferred Pay bank balances can be viewed on the HR4U portal under My Pay. Employees with a positive Deferred Pay bank balance will receive payments over the summer months. Payment amounts over the summer months will be subject to the Deferred Pay bank balance as of July 12, 2013.

EMPLOYEES WITH A POSITIVE DEFERRED COMPENSATION BALANCE

Employees who have deferred banks at the end of the school year will continue to receive deferred compensation payroll checks throughout the summer until the deferred bank has been fully paid out. Employees should note that it is unlikely that they will have a sufficient deferred pay balance to receive **full pay** through every pay period this summer.

Employees with a positive deferred pay bank will be paid the deferred pay over the summer in the same manner in which they have been paid in previous years.

***Please note:** Employees who have taken a lump sum or hardship payout during the school year may not receive a payout over the summer or the payout amounts will be reduced based on the amount of funds remaining in their deferred compensation account.*

Employees who anticipate that they will not have sufficient funds in their deferred pay bank should plan for an interruption of pay.

EMPLOYEES WITH A NEGATIVE OR ZERO DEFERRED COMPENSATION BALANCE

Employees who will have no deferred balance or a negative deferred balance at the end of the school year will not receive payroll checks over the summer. Employees who do not anticipate that they will have a positive deferred compensation balance should plan for an interruption of pay. These employees will receive a more detailed communication at a later date.

IT IS IMPORTANT TO REMEMBER

For the next school year employees will not receive a regular paycheck for hours worked until September 6, 2013 and that paycheck will be for half a pay period for most employees.

WHAT OPTIONS DO I HAVE TO SET EARNINGS ASIDE?

Chicago Municipal Employee Credit Union (CMECU)

The Chicago Municipal Employee Credit Union (CMECU) will offer all CPS employees the option to enroll in a deferred compensation plan similar to the one currently in place. Employees can elect to set aside a certain percentage or flat amount of their net pay each paycheck and elect to withdraw funds during summer months.

This alternative will give employees an opportunity to save a percentage of their paycheck similar to deferred pay. Savings across twelve months allows employees access to their funds, and gives them the ability to use the funds from the secondary account to cover their expenses during periods of time when they are not scheduled to receive a paycheck.

If employees would like more information on CMECU, please visit the credit union website at <http://www.cmecunonline.org/savings/ppa.php>, email at CallCenter@cmecunonline.org, or call (312) 236-2326.



Bank-at-Work Plans

Various Banking Institutions are offering CPS employees Bank at Work Programs. For more information, please contact the banking institutions listed below.

Chase

Cassandra Harding (312) 732-4327
cassandra.j.harding@chase.com

Bank of America

www.bankofamerica.com/bankatwork
Information Line for CPS Employees (800)432-1000

PNC

www.Pncvirtualwallet.com
Information Line for CPS Employees (800)-352-2255

Seaway

www.seawaybank.us
Information Line for CPS Employees (773)487-4800

Citibank

Carol Bertand (312) 977-5150
carol.bertand@citi.com

WHAT DO EMPLOYEES NEED TO DO?

If employees choose one of the financial institutions above, they may deduct the same percentage of their earnings that are currently being deducted for deferred compensation to the secondary account to cover the periods in which they are not receiving a paycheck.

Once employees have opened an account at the financial institution of their choice, they will need to add the account to their CPS Direct Deposit Account in order for funds to be sent to the financial institution.

Instructions on how to update the direct deposit account are attached.

Thanks and we look forward to meeting your future payroll needs.

Department of Payroll Services
Chicago Public Schools