



## SPECIAL PAYMENT AGREEMENT INSTRUCTIONS

This agreement is intended for individuals who are requesting a non-recurring payment, such as a speaker, performer, or one-time student stipend (require approval from the Accounting Director). It is not intended to pay individuals for services that can be provided by internal faculty or staff. In most cases, student payments shall go through the HR process to ensure we can track the 18-hour limit for student workers, withhold and report their taxes appropriately, and ensure we comply with the Affordable Care Act.

All payments for the Special Payment Agreement shall be processed through Accounts Payable which may result in the issuance of Form 1099 at the end of the calendar year. Individuals are required to submit a signed W-9 along with the Special Payment Agreement.

**SECTION 1:** The requestor needs to complete this section in collaboration with the individual.

1. If the individual is currently employed by the District, this form cannot be used to pay them. The payment needs to go through payroll so the District can report their earnings on the W-2. This may require the hiring manager to submit an NOE to HR.
2. The Special Payment Agreement is intended for non-recurring payments. If the individual intends to perform ongoing work for the District, they may need to coordinate with HR to fill out the proper paperwork.
3. If the individual is currently performing hourly work for the District, the hiring manager needs to complete an NOE and submit it to HR before performing the work. The payment for all services needs to go through payroll so the District can report their earnings on the W-2.
4. CalSTRS and CalPERS require the employer to report all hours worked and earnings for all retirees. All retirees who retired from CalSTRS or CalPERS will have their payment processed through payroll so the District can report their earnings properly.
  - If an individual is not a retiree, but is performing creditable services under an independent contract, the employer is required to retain Form MR-732 on file. The District is not required to report their compensation to CalSTRS.

**SECTION 2:** Only complete this section after consulting with the VP of Administration Services.

**SECTION 3:** Select the appropriate box and sign the document before submitting it to the Budget Administrator/Department Manager.

The completed form must be submitted to the VP of Administrative Services at each college for approval before submitting it to the Accounting Director at the District. Payments will be made to the individuals after all information has been validated.