

Standard Operating Procedure – Pay Administration for Temporaries Employed through Temporary Solutions

The administration of pay for temporaries employed through Temporary Solutions is invariably linked to the on-demand nature of supplemental staffing, the unique needs of each partner agency, and the strict deadlines of the bi-weekly payroll calendar. This procedure sets requirements and guidelines for Temporary Solutions and its agency partners in establishing and changing hourly pay rates, administering shift premium pay, paying bonuses, meeting bi-weekly payroll deadlines, and addressing non-payments and underpayments.

Council of State agencies that adopt this SOP or portions of it for the pay administration of their own temporaries not employed through Temporary Solutions are encouraged to establish internal delegations of authority wherever they are required below. Cabinet agencies authorized to employ temporaries not through Temporary Solutions in accordance with G.S. §126-6.3(a) shall adhere to Sections I-III of this SOP when administering pay for those temporaries, except that those Cabinet agencies may exercise the delegated authority of a TS Placement Counselor wherever provided below.

Temporary positions were not included in the Enhanced Statewide Compensation System study. Therefore, unless required below, agencies may but are not required to use the Form T-SAL or consider pay factors when determining hourly rates for temporaries not being employed through Temporary Solutions.

I. Hourly Rates

Establishing hourly rates for temporaries

Temporary Solutions will use the Form T-SAL, formatted to show hourly rates instead of annual salaries, to help its agency customers determine the baseline hourly rate for temporaries being employed through TS and exercise its delegated authority as follows to establish a higher hourly rate when requested by the employing agency:

| Role | Delegated authority | Recommendations and requirements |
|------------------------|--|---|
| TS Placement Counselor | Up to the maximum of the quartile for which the employee qualifies; up to \$15.00/hr even if candidate qualifies for less, the rate is outside the candidate's qualified salary quartile, and/or exceeds the maximum of the salary grade (in effect since June 2019) | Agency partners are encouraged to consider budget availability and equity when establishing hourly rates. |

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|----------------------|---------------------------------------|--|
| TS Assistant Manager | Up to the maximum of the salary grade | A brief description of work and justification are required. Assistant Manager will consider whether the candidate has additional related E&Es that would qualify them for a higher quartile or if there is a lower classification that aligns with the description of work and would not require a rate exception. |
| TS Manager | Above the maximum of the salary grade | A brief description of work and justification are required. Manager will consider whether there is a higher classification that aligns with the job duties or if there are there any other temporaries being paid over the max of the class and, if so, how their rates compare to the requested rate. |

In their justifications for pay rates over the maximum of the qualified quartile or classification, agency partners are encouraged but not required to distinguish specific experience and skills, cite specialized education, licensures, and certifications, and describe any recruitment and retention issues specific to market. This will help in determining whether the candidate has additional qualifications that would qualify them for a higher quartile or a higher rate relative to others being paid over the maximum of the quartile or class.

If the candidate qualifies for less than the approved hourly rate, the TS Placement Counselor must notify the candidate that their annual salary in a permanent or time-limited position in the same classification may be lower than the annualized approved temporary hourly rate. This notification must be included in the final offer to the employee, but should be communicated sooner to ensure complete visibility of this point while the candidate decides on the offer.

Increasing the hourly rate

A temporary employee’s hourly rate of pay may be increased during the temporary assignment at the request of the employing agency due to factors such as a change in job duties, labor market considerations, retention, and equity. For raises in pay, TS will follow the same process that is used to establish hourly rates for temporaries. Employing agencies must submit a TS Salary Adjustment Job Order to request a raise in pay.

Generally, the granting of legislative increases for temporary employees is based on the budget availability of each employing agency. Therefore, legislative increases may be granted only with the approval of the agency’s central Human Resources Division.

Decreasing the hourly rate

Sometimes an agency may need to decrease a temporary employee’s hourly rate of pay during the temporary assignment due to factors such as a change in job duties or budget availability. Agencies

must give the affected employee 30 days' written notice of a decrease in pay and include the reason for the decrease, the new hourly rate, and the effective date of the change. Employing agencies must submit a TS Salary Adjustment Job Order for a decrease in pay to be processed.

Predetermined hourly rates

A predetermined hourly rate may be needed to meet labor market demands, assist in the mass recruitment of hourly workers such as at a job fair, fill a large number of critical positions in an extremely short period of time, or fill vacant positions that are hard-to-recruit or hard-to-fill. Examples of jobs and situations in which a predetermined hourly rate may be helpful include but are not limited to:

- Hospital moonlighter positions, for which pay tends to be market-driven, shifts are during the night, applicants for vacant positions may have broadly different qualifications, and employees are doing relatively similar work
- Workers at events that last a very short period of time, such as from less than a day to two weeks
- Job opportunities being advertised at a job fair, where having a predetermined rate may assist recruitment efforts or allow employing agencies to make a conditional offer of employment on the spot
- Workers who, regardless of qualification, are required immediately to provide an urgent or critical service
- As a recruitment strategy for a vacant position that is hard-to-recruit or hard-to-fill

Predetermined hourly rates may be approved by the TS Assistant Manager for individual positions on a case-by-case basis, most often when used as a recruitment strategy for hard-to-recruit or hard-to-fill vacant positions. Predetermined hourly pay rates affecting multiple positions, such as for an entire classification, work unit, or for mass recruitment, must be approved by the TS Manager.

Specialized Skill Workers

Occasionally agencies have a need to fill a temporary position that has unique or niche job duties that do not align with an established state classification. After conducting research and ensuring no other appropriate state classifications exist, Placement Counselors may request approval from the TS Assistant Manager to use the Specialized Skill Worker classification. Requests must explain how the job duties differ from any established state classification and include criteria by which qualified applicants for the Specialized Skill Worker class will be determined. The request must also include the proposed hourly rate. The TS Assistant Manager will verify that no existing state classification exists and that the proposed qualification requirements and hourly rate are compliant, legally defensible, and fiscally responsible.

II. Shift premium pay

Shift premium pay is authorized for temporary employees and shall be administered in accordance with the State Shift Premium Pay Policy. Agency partners must request shift premium pay on the Job Order for New Hires, Reinstatements and Transfers or by contacting their Placement Counselor if the shift premium pay will be applied to a temporary employee who is already working.

III. Bonus payments

Agency partners may pay non-discretionary bonuses to temporary employees so that those agency partners may remain competitive in the hourly worker labor market and/or induce temporary employees to work more steadily, rapidly, or efficiently.

A non-discretionary bonus is one in which the employing agency predetermines the specific criteria that is required to receive the bonus, and employees expect to earn the bonus if they meet the criteria. Bonus payments may be in the form of a lump-sum or an incentive plan in which there are regular payouts when predetermined goals are met or exceeded. It is the intent of this provision to allow agency partners the flexibility to conceptualize and propose unique bonus payments that serve each agency's own specific operational needs rather than for this SOP to pre-establish those criteria for them.

Examples of bonus payment initiatives for temporary employees may include but are not limited to:

- Continued employment in a temporary position for a predetermined amount of time, such as 90 days into a temporary assignment or at the end of a seasonal assignment in which there was competition in the labor market for seasonal workers
- Meeting or exceeding predetermined production goals for quantity, quality, or accuracy of work
- Meeting or exceeding predetermined project milestones
- Working a predetermined number of days without a safety incident

Required documentation

To establish a bonus payment initiative for temporary employees, the employing agency must submit the following information to the Temporary Solutions Manager for review to ensure all requirements are met.

- The name of the employing agency
- The employees who will be eligible for the bonuses
- The type of payment(s) (lump-sum or incentive plan) that is being proposed, and a description of the criteria for that particular bonus. For example:
 - If the bonus payment is based on a predetermined length of continued employment in a temporary assignment, indicate the amount of time or target date.
 - If the bonus payment is based on meeting or exceeding predetermined production goals for quantity, quality, or accuracy of work, indicate these specific goals and, if applicable, the length of time or date(s) in which the goals must be met.
 - If the bonus payment is based on meeting or exceeding predetermined project milestones, indicate the milestones and the length of time or date(s) in which the goals must be met.
 - If the bonus payment is based on working a predetermined number of days without a safety incident, indicate what qualifies as a safety incident and the length of time or date(s) in which this will be measured.
- The amount of each bonus payment
- When the payment(s) will be made
- The total amount expected to be paid to each employee under the program

- Purpose of the bonus payment initiative (i.e., to remain competitive in the hourly labor market, to incentivize performance, etc.) Complete, accurate and compelling documentation is a best practice and is required to demonstrate compliance, legal defensibility, and fiscal responsibility.
- Method of communicating bonus payment information to the affected employee in writing (i.e., directly by the agency, through Temporary Solutions, etc.)
- Forms, contracts, etc., that will be provided to the employee notifying them of the bonus payment, criteria, etc.
- Authorizing signatures per employing agency policy

Bonus payments that have been approved by the employing agency according to its own internal approval process will be made by Temporary Solutions on the agreed upon regular bi-weekly pay day.

Calculating the regular rate of pay

Non-discretionary bonuses are included in the regular rate of pay, unless they qualify as excludable under another statutory provision, and therefore must be factored into the calculation of overtime and shift differentials. When preparing to make a bonus payment to a temporary, Temporary Solutions works with the employing agency to calculate the revised regular rate of pay and to pay this difference.

IV. Temporary Solutions Payroll Deadlines Calendar

Temporary Solutions processes hundreds of job orders and employment actions each week. It also processes bi-weekly payroll for over 4,000 temporaries every two weeks. With this volume, it is important to maintain a schedule of deadlines, called the Temporary Solutions Payroll Deadlines Calendar, for agency partners to submit job orders and complete onboarding packets. These deadlines correspond with the pay period that the agency would like their temporary to start working. Job orders and onboarding packets received by the deadlines on the Calendar will be given priority over those that are received after the deadlines. The Calendar is updated annually and posted to the Temporary Solutions website.

V. Non-Payments and Underpayments

Pay to temporary employees occurs through a bi-weekly payroll administered by the Office of State Controller (OSC) through the Integrated HR-Payroll System (IHRPS). Temporary Solutions cannot and does not make regular bi-weekly payroll payments apart from OSC and IHRPS.

If a temporary employed through Temporary Solutions is not paid or underpaid on a regular bi-weekly pay day due to the error of the temporary employee or the employing agency, to include the supervisor, which most often occurs when a completed timesheet is not submitted by the established deadline, the temporary will be paid on the next bi-weekly pay day if all time worked is approved by payroll finalization for the pay period(s) scheduled to be paid on that pay day. If the employing agency decides to issue the temporary an agency check, Temporary Solutions may create, at the agency's request, an Agency Check Deduction record in IHRPS (IT0015/26AC) to automatically deduct the agency check amount from the employee's next regular bi-weekly paycheck.

If the non-payment or underpayment is the result of an error by Temporary Solutions, OSC, or the Integrated HR-Payroll System, such as Temporary Solutions overlooking a timesheet that was submitted

on-time or a system error that is not resolved by payroll finalization, Temporary Solutions will request an off-cycle paycheck from OSC. If an off-cycle check is not possible or the employee requires payment sooner than an off-cycle check can be produced, Temporary Solutions will request an agency check from the Department of Administration if the temporary chooses this alternative option.