

5-12 Compensation

The full-time employment contract year begins July 1 and ends the following June 30. Other employment contracts may be for less than 12 months and contain specific stipulations as to employment.

Employees are required to enroll in direct deposit to receive their monthly pay. Pay is deposited on the last working day of the month. The college reserves the right to issue checks when it is in the college's best interest to do so. Earnings and leave statements are normally available a few days before the direct deposit is made. In December, pay is normally direct deposited prior to the holidays.

A. Payment for Partial Months

When an employee's beginning date of employment or ending date of employment is other than the first or last day of the month the following rules shall apply for determining compensation:

A determination as to the hourly rate will be computed if not known. For full-time employees, the individual's salary and the number of hours (2,080) in a year shall be used to compute the individuals' hourly rate. The obtained hourly rate will then be multiplied by the number of hours in pay status (either working or on paid leave).

Pay is not received for a holiday that occurs before the beginning date of employment or after the last day of work when an employee separates or goes on extended (over half the workdays in a month) leave without pay. The last day of work is the last day in a pay status whether physically working or on paid leave.

B. Monthly Pay Plans

Full-time staff employees are normally twelve month employees and are paid by the month based on their annual employment contract amount. New full-time staff employees joining the college before the 15th of the month will be paid that month. Employees joining on the 15th or later will not be paid until the end of the next month.

Full-time faculty may be offered nine, ten, eleven, or twelve month contracts. The fall semester normally begins in mid August. The nine and ten month employees will be paid in August based on number of days worked.

C. Spreading Pay

Those employees with other than a twelve month contract are required to have their pay distributed equally over twelve months. Reference-NCCC Accounting Procedures Manual, Internal Revenue Code (IRC) 409(A), IRS Notice 2008-62.

D. Part-time Employees

Part-time employees are paid by time sheets and are paid a month after they perform the work. For example, a part-time employee joining the organization in August and working in August will not be paid for that time until the end of September.

E. Salary Determination and Adjustments

The President is responsible for ensuring that salaries and compensation are determined and set in accordance with Policy 2-6: Salary Determination. The President is authorized to set and adjust the salaries of college personnel consistent with the requirement of Policy 2-6, and shall advise the Board of Trustees of any changes. The President's salary is established by the Board and based on the guidelines of the NC Community College System together with any locally funded supplement approved by the Board of Trustees.

F. Immigration Form I-9

All employees hired after June 30, 1986, must complete Form I-9 (Employment Eligibility Verification) before they are paid.

G. Payroll Deduction

1. Retirement

Full-time faculty and staff are automatically enrolled in the Teachers' and State Employees' Retirement System of North Carolina. A prescribed percentage amount is deducted from an employee's salary for retirement. State law sets employer-matching contributions. Information relating to the state retirement system may be obtained from the Human Resources Office.

2. Social Security

All employees are covered by Social Security; therefore, all wages earned are subject to Social Security deductions in accordance with federal law. Employees are required to furnish the Human Resources Office with a copy of their Social Security card.

3. *Income Tax*

Salaries received by employees are subject to applicable federal and state income tax at the rate established by law. All employees are required to complete both W-4 and NC-4 forms indicating withholding exemptions claimed for income tax purposes. Form W-2 will be furnished to all employees no later than January 31 following the calendar year during which a salary is earned.

4. *Direct Deposit*

Monthly pay is required to be deposited in the institution that an employee selects as long as they accept direct deposit transfers.

5. *Tax-Shelter Annuities*

All full-time employees, by reason of their employment in a non-profit public institution, are legally permitted to participate in privately offered tax-sheltered annuity plans. Payments are employee-paid and must be made through monthly payroll deductions. Federal income tax is not charged on these deductions at the time that they are made but, rather, at such date as the annuity is paid to the participant. This might be arranged at such time when the participant's tax situation is more favorable. A tax-sheltered annuity can be purchased as either a fixed annuity (with guaranteed return) or as a variable annuity, wherein the participant's contributions are invested in a mutual fund without guaranteed return. Some employees have considered the variable annuity a means of protecting long-term savings from the effects of possible future inflation. The college makes no recommendation in any of these matters, but brochures on plans offered by the State 401(k) and the 457 (b) plans and other approved private companies are available in the Human Resources Office.

6. *Health Benefits Program*

Full-time regular employees are entitled to enroll in the State of North Carolina Health Benefits program. All full-time employees beginning employment with the college must accept or reject enrollment within thirty (30) days. Details on this fringe benefit can be supplied by the Human Resources Office, the designated health benefits representative for the carrier, State of North Carolina Comprehensive Health Benefits Plan.

Regular part-time employees who work more than twenty (20) hours per week are eligible to enroll at the employees' option by paying the entire cost of the plan.

H. Longevity Pay Plan - 1C SBCCC 400.98

The college will pay, with provided funding, longevity pay to all full-time and part-time regular employees, in accordance with criteria established by the State Board of Community Colleges. Qualified employees paid with grants or other special funds will receive longevity pay if funds are available.

Annual longevity pay amounts are based on the length of aggregate service to the State of North Carolina, community colleges, and public schools. Longevity pay amounts are computed by multiplying the employee's annual salary rate by the appropriate percentage, rounded to the nearest dollar, in accordance with the following table:

Years of Aggregate State Service	Longevity Pay Rate
10 but less than 15 years	1.50 percent
15 but less than 20 years	2.25 percent
20 but less than 25 years	3.25 percent
25 or more years	4.50 percent

Longevity pay is not considered a part of annual base salary nor is it to be represented in personnel and payroll records as a part of annual base salary.

With approval from the College President, the Director of Human Resources will determine the quantity of qualifying services and the longevity anniversary date for each eligible employee of the college. Employees who think they are qualified to receive longevity pay should complete a Record of Aggregate Service form, which can be obtained from the Human Resources Office.

Employees who have questions concerning eligibility for longevity pay should consult with the Director of Human Resources.

I. Disability Salary Continuation Plan

All full-time regular employees are covered by the State of North Carolina Disability Salary Continuation Plan regardless of the source of funding for their salaries. New employees shall be furnished the briefing sheet by the Human Resources Office during their orientation.

J. Worker's Compensation

All employees are covered under the Worker's Compensation Act. This act requires that all work-related accidents occurring during working hours be reported to the Director of Human Resources as soon as possible, but at minimum within five (5) working days after occurrence of knowledge of any injury to an employee causing absence from work or where medical treatment is received. Liability under this act applies only to injuries or death. In case of an accident covered by worker's compensation, individuals may obtain the

Chapter Name: **Compensation and Fiscal Affairs**

Policy 5-12

Policy Title: **Compensation**

Date Approved: 10/94

Date Revised: 02/03, 02/06, 02/09, 06/10, 02/16, 02/19

Page 5 of 5

necessary forms to report the accident from the Human Resources Office or the doctor from whom treatment is received. State law prohibits worker's compensation from being paid to those who accept insurance benefits; therefore, persons carrying accident insurance benefits should weigh the relative compensation in each case before filing claims for either benefit. The cost of treatment is paid through worker's compensation insurance and not through the health benefits plan.

K. Dual Employment Policy

As of January 1, 1976, employees of institutions in the community college system are excluded from the dual employment policy of the State of North Carolina. Generally, the dual employment is to be followed when one state agency secures the services of an employee of another state agency on a part-time, consulting or contractual basis. Normally authorization for employment is required and there are restrictions on compensation.