

GUIDELINES FOR COOPERATIVE EXTENSION WAGE PAYROLL EMPLOYEES and SUPERVISORS

A **WAGE PAYROLL** employee is an individual who is paid hourly and normally works less than a full time work schedule. The position title may include the words "part time."

Supervisors who are anticipating hiring through the University's wage payroll system should contact Extension Payroll at ExtPayroll@ag.psu.edu.

FORMS AND REQUIREMENTS CHANGE PERIODICALLY; PLEASE DO NOT USE WAGE PACKETS THAT HAVE BEEN IN YOUR POSSESSION FOR MORE THAN ONE YEAR.

WAGE APPOINTMENTS

Wage payroll appointments are initiated at the University at the time of hire by the administrative and financial services area of Cooperative Extension upon receipt of the completed wage forms. It is not necessary to advertise wage payroll positions; however, if advertising is desired, it must be arranged through the Office of Human Resources (814-863-3452).

WAGE RATES

Wage rates are established according to the duties of the position and the qualifications required of the employee. Please refer to the University wage scale at WEB site www.ohr.psu.edu/policy/hr41.htm. Wage rates that do not fall within this scale must be reviewed and approved by the Office of Human Resources before the employee is hired, and periodically thereafter based on the intent of the supervisor to continue the employment. All wage appointments must have a beginning and ending date. Continuous wage appointments must be renewed annually. Wage payroll reappointments are done based on a review of the payroll forms on file and the determination that all forms are complete and current.

To make changes to a current wage appointment, a written communication must be sent to Extension Payroll at ExtPayroll@ag.psu.edu. Wage payroll increases may be made on an annual basis based on acceptable performance. Supervisors are encouraged to review the wage rates for their employees annually. Wage increases may also be provided based on an increase in duties or responsibilities. A written communication requesting a wage rate change must be sent to Extension Payroll at ExtPayroll@ag.psu.edu. Requests received will be directed to Human Resources for review and the supervisor will be notified of the action taken.

REQUESTS MUST BE MADE PRIOR TO THE EFFECTIVE DATE AND PRIOR TO INFORMING THE INDIVIDUAL OF THE INCREASE. Human Resources is responsible for reviewing the proposed wage increases for consistency throughout the College with respect to the wage rate. The Office of Human Resources may need to reject, or discuss further, increases that do not conform to these conditions.

Other wage appointment changes such as appointment ending date, permanent increase or decrease in number of hours worked, funding source change, etc., must be made in advance of the change to Extension Payroll at ExtPayroll@ag.psu.edu.

EMPLOYMENT OF MINORS

The Employment of Minors policy HR-2 outlines that no minor under the age of sixteen is permitted to work at the University under any circumstances. **WAGE PAYROLL HIRES MUST BE 16 YEARS OF AGE. WORKING PAPERS ARE REQUIRED** for any employee under the age of 18 who has not graduated from high school. Procedures which must be followed to stay within the framework of the State's Child Labor Law states that before any minor (as defined by law) shall be employed, the person employing such a minor shall procure and keep on file, an employment certificate or copy of transferable work permit, issued to the minor. Also, employers must notify the appropriate school district of the minor's employment within five days of the commencement of employment. Information to be provided to the school district includes: permit number;

name and age of minor; number of hours to be worked each day and week; and, character of the employment.

The **ORIGINAL** of the employment certificate, or a copy of transferable work permit, are to be sent to Extension Payroll as part of the wage payroll employment forms packet. They will then be forwarded to the Employment Division who will retain the "working papers" until the minor is no longer employed by the University. **IT IS IMPORTANT FOR THE EMPLOYING UNIT TO NOTIFY THE EMPLOYMENT DIVISION WHEN A MINOR IS NO LONGER EMPLOYED.**

EMPLOYMENT OF NON-U.S. CITIZENS

The employment of a "Non-U.S. Citizen" requires that an Alien Information Request Form be completed along with the formal wage packet. The Alien Information Request form allows Penn State to collect information for tax withholding purposes regarding an individual's employment, and immigration category and the primary reason the individual is in the U.S. All individuals who are not citizens of the United States of America are required to have completed this form prior to any request for payment. General guidelines include: the individual's visa must be current and valid in order for the individual to be paid; and, if work authorization is not part of the immigration category, then authorization must be obtained before the individual can begin working.

An Alien Information Request form may be obtained by contacting:
Extension Payroll at ExtPayroll@ag.psu.edu

Employees **must** attach copies of **all** of the documents which support the information he/she provides on this form. Photocopies of the following forms are accepted.

- passports showing original entry date under current status with the front and back of the corresponding I-94 Departure Record Card (small white card contained in passport);
- official document(s) from the Immigration and Naturalization Service, i.e., an IAP-66, I-20, or any other official document indicating approval of petition for a particular status with the corresponding I-94 Departure Record Card (front and back);
- "Alien Registration Receipt" (also known as the "Green Card");
- in particular instances, the following documents may be required, in addition to copies of the passport; these documents include: photocopy of "Employment Authorization Card" for employment authorized J-2 aliens, F-1 students on practical training, and individuals seeking political asylum in the U.S. (Note: the only F-2 visa holders authorized to work are those from China, and they must provide a copy of their "Employment Authorization Card.")

PAYROLL

WAGE EMPLOYEES ARE PAID FOR ACTUAL HOURS WORKED. They do not receive holiday pay, vacation or sick pay, etc., unless they are on the Earned Time program (see Benefits section). Hours should not be estimated or projected, except for special exceptions such as the Christmas break when payroll is entered prior to the actual pay period end date.

Wage payroll employees are paid bi-weekly according to a schedule developed by the University. Wage payroll employees must complete a wage payroll time sheet indicating the number of hours worked and submit the form to their supervisor. Supervisors must verify hours worked, sign the form and make sure it is mailed to Extension Payroll at ExtPayroll@ag.psu.edu in time to meet the deadline on the schedule. If time sheets are faxed, please follow up by mailing the original time sheet to Extension Payroll at 323 Ag Administration Building, University Park PA 16802. Providing all wage forms are complete, accurate, and submitted by the first Thursday of the payroll period, employees will be paid two weeks after the submission of their hours.

DIRECT DEPOSIT OF EMPLOYEE WAGES IS A REQUIREMENT BY THE UNIVERSITY. In extenuating circumstances, an exception may be granted; however, supervisors need to inform the employee that the option of opening up an account is strongly suggested. Forms for the PSU Credit Union can be obtained from Extension Payroll at ExtPayroll@ag.psu.edu.

TERMINATIONS

WAGE TERMINATIONS, OTHER THAN THOSE ENDING ON THE WAGE APPOINTMENT ENDING DATE, MUST BE COMMUNICATED TO KIM McCLELLAND IN WRITING AS SOON AS THEY ARE KNOWN. Please provide the employee's name, date of termination, and reason for termination. When possible, please obtain a termination letter from the employee and forward a copy to Extension Payroll at ExtPayroll@ag.psu.edu.

OVERTIME

The Federal Fair Labor Standards Act requires that all work paid on an hourly basis is subject to the overtime provisions of the law. And as such, wage hours must be reported on the wage time sheet on the days in which they were actually worked. Hours worked in a one-week period in excess of 40, will be paid at the rate of time and one-half.

When a wage payroll employee employed in more than one part time position or paid from more than one budget incurs overtime (more than 40 hours in a work week), the Human Resources representative(s) of the work unit(s) involved shall be responsible for determining the budget(s) to which the overtime pay shall be charged.

LUNCH BREAK COMPENSATION

Wage employees follow University policy and as such do NOT receive compensation while taking lunch breaks. When completing time sheets, hours submitted should NOT include any time allotted for lunch. ***Wage employees are paid for ACTUAL hours worked.***

LIABILITY

The University provides general liability coverage for wage payroll employees.

UNEMPLOYMENT COMPENSATION

County-based wage payroll employees must be enrolled in Cooperative Extension's self-insured Unemployment Compensation pool at the rate of 1% of their gross salary. The 1% must be paid from local extension funds. In the event of a claim, the U.C. pool supports the entire claim. State Job Center employment activity forms that are received in county extension offices (usually green or yellow in color) must be sent immediately to Extension Payroll at ExtPayroll@ag.psu.edu. These forms will be completed at the University and returned to the State Job Center.

WORKER'S COMPENSATION

All employees are covered with Worker's Compensation Insurance as a protection for injuries or illness under the Worker's Compensation and Occupational Disease Act. Worker's Compensation is designed to provide wage loss benefits and reimbursement for reasonable medical care for one who is injured on the job.

PASS THROUGH FUNDS/ PSU PAID-COUNTY FUNDED

Individuals who are funded through local sources may be paid on the University wage payroll system through the pass through account. This program is intended for individuals who deliver educational programs.

Under this arrangement, the University pays the wages and fringe benefits and then invoices the local extension office quarterly for the wages and associated fringe benefit costs. (Wage fringe benefit costs are generally in the 8 to 9% range and are subject to change each July 1.) Supervisors who employ individuals through this process are expected to comply with the wage guidelines contained within this document. Misuse of the wage payroll system may result in a termination of this service.

FUNDING THROUGH GRANTS AND CONTRACTS

Supervisors must provide Kim McClelland with the appropriate University budget numbers that coincide with the grant when individuals are hired on grant or contract funds. The budget information must also be conveyed to Extension Payroll for continuing employees whose funding source changes to grant funds or from one grant to another. When employees are working on multiple grants, they must submit separate biweekly time sheets for each grant. Supervisors must monitor budget reports to verify that the wage staff is being charged appropriately. Restrictions apply based on requirements of the granting agency for transfers of wage charges once they occur. Typically, wages cannot be transferred to or from grant funds after 30 days.

If employees hired on grant funds begin to work prior to a signed contract between the granting agency and the University, the local extension office will be responsible for supporting the wages through the pass through procedure described above until the contract is fully executed. It may be possible to transfer the wages to the grant after the contract is fully executed providing the hours worked were within the granting period. If the contract does not come to fruition, the local extension office will be invoiced for the wages and associated fringe benefit costs.

Employees paid on grants and contracts must be enrolled in the self-insured unemployment compensation pool from local funding sources if the grant or contract does not allow for overhead. Enrollment in the self-insured program is not an allowable expense on grant funds. When grant or contract funds provide for overhead, it is not necessary to enroll employees in the self-insured programs since unemployment would be supported from University funds.

WAGE PAYROLL BENEFITS

Retirement Plan - the State Employees' Retirement Act stipulates that a part-time staff member **must participate** in the University's retirement program upon completion of 750 hours of employment. Employees, who have **worked at least 750 hours during the calendar year**, are required to participate in one of the University's retirement plans (TIAA/CREF or State Employee Retirement System). Retirement contributions are made through a 5% (TIAA/CREF) or 6.25% (SERS) deduction from the gross bi-weekly salary once enrolled in one of the retirement plans.

Retirement contributions may be increased through a deferred compensation plan whereby an employee may authorize payroll deductions for the purchase of annuities. Tax-deferred annuity plans are available to employees who are participating in a University retirement plan. Such deduction shall be based on a percentage of salary (up to the legal limits) and shall be taken only if sufficient salary remains to cover taxes, fees, or other required deductions.

Healthcare Plan - employees who have **two or more years of continuous University service, working at least 750 hours each year**, are eligible to participate in a University healthcare plan. Additional information, including details regarding plans, deductions and payments, will be made available through the Office of Human Resources when the employee is eligible to participate.

Earned Time - employees who have completed **two years of continuous University service, working at least 750 hours each year**, shall accumulate earned time. Employees and supervisors will be notified when they are eligible for Earned Time. Earned time shall be accrued on the basis of 8 hours for each 168 hours paid. Such earned time may be accumulated up to a maximum of 96 hours.

Accumulated earned time can be used by an employee to account for work time missed due to illness, vacation, personal time off, etc. The work requirements of the University shall take priority over the scheduling of time off for an employee. Nonetheless, the University shall give consideration to any specific

request for time off by an employee. Except in the case of illness or an emergency, time off is to be charged to the earned time accumulation only when such absence has been scheduled and approved by the supervisor in advance.

Earned time hours must be recorded and circled on the bi-weekly wage time sheet.

Employees on the Earned Time program must complete an "Earned Time" card, documenting hours worked, holidays, and earned time used. Employees and/or supervisors must verify that the information recorded on the Earned Time card matches the wage time sheets that are submitted bi-weekly. Balances are calculated at the end of each month. A copy of the Earned Time card must be faxed or mailed to Extension Payroll at ExtPayroll@ag.psu.edu at the end of every month. The original card must be mailed in at the end of each calendar year, so a new card for the new year can be generated.

When a wage employee terminates employment, the employee shall receive the cash value of unused earned time, computed up to and including the last day worked, provided the employee has given at least two weeks advance notice. Or, an employee who terminates his/her standing position to accept an offer of wage employment consisting of at least 750 hours of work each year, shall have the option to transfer any or all (up to a maximum of 96 hours) of his/her vacation accumulation to earned time, provided there is no break in service. A wage employee who terminates his/her wage position to accept an offer of regular employment shall transfer all of the earned time balance to vacation accumulation, provided there is no break in service.

NOTE: An employee who has qualified for healthcare coverage, earned time, and holiday time who then works less than 375 hours **or** has more than an eight pay period break at half-time (40 hours per pay period) during any consecutive six month period, will no longer be eligible to participate in the above referenced programs unless the decrease in hours is directly related to an absence covered by the Family Medical Leave Act (outlined below). Such employee may requalify for eligibility during the subsequent two year period, if in any consecutive six month period they work at least 375 hours, **and** at least eight pay periods at half-time (40 hours per period) or more. If reinstated, an employee will again be disqualified if the conditions described above recur.

Holiday Time - employees who have completed **two years of continuous University service, working at least 750 hours each year**, and who are on the Earned Time program shall receive his/her regular pay for the **University holidays that occur on a day that the employee is normally scheduled to work**.

Earned time individuals are exempt from holiday pay if the holiday falls over a weekend. Even if the county office opts to be closed on a Friday preceding or a Monday following a weekend holiday, and that day would be a day the employee is normally scheduled to work, earned time individuals can not claim the holiday pay. In such a case earned time can be used to supplement earnings for the pay period, or employee must report no pay/hours for the day office is closed.

Holidays established by the University include:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- December 25 and five additional days in December

When December 25 comes on these days, the six holidays are:

Sunday	December 25,26,27,28,29,30
Monday	December 22,25,26,27,28,29
Tuesday	December 24,25,26,27,28,31
Wednesday	December 23,24,25,26,27,30
Thursday	December 24,25,26,29,30,31
Friday	December 24,25,28,29,30,31

Wage employees will not be paid for other County holidays unless those days are actually worked.

To determine number of hours of holiday pay an earned time employee is eligible for:

- if employee has a "regular" schedule (same number of hours every day they work) they would receive the same number of hours of holiday pay.
- if employee does not have a "set" schedule, they would receive the average of the number of hours worked for the week (hours worked for week divided by number of days worked that week).

An earned time employee required to work on a University holiday **shall be paid** at the rate of time and one-half the hourly rate for all hours worked on the holiday. This includes the six holidays in December. An employee is granted only those University holidays that occur on a day that the employee is normally scheduled to work. University holiday hours must be designated on the bi-weekly wage time sheet as "Holiday/number of hours" (i.e., H/4).

Family and Medical Leave - The Federal Family and Medical Leave Act of 1993 (FMLA) mandates that a qualifying employee be eligible for a total of 12 work weeks of unpaid leave during any consecutive 12-month period for one or more of the following:

- a.) the birth of a child of the employee, in order to care for such child;
- b.) the placement of a child with the employee for adoption or foster care;
- c.) the care for a seriously ill child, spouse, or parent of the employee; and,
- d.) the employee's own serious illness which causes the employee to be unable to perform the functions of his/her position.

Absences may be of an ongoing nature or, when medically necessary, may be taken as an intermittent leave, or on a reduced leave schedule. Whenever possible, the employee shall make a reasonable effort to schedule any medical treatment visits so as not to unduly disrupt operations.

For purposes of the Family and Medical Leave Act, an eligible employee is a regular or wage employee who has worked for the University for at least 12 months, and has worked at least 1,250 hours within the 12-month period immediately prior to the leave.

Employees who meet the eligibility requirements defined above shall be entitled to leave without pay in accordance with the provisions of the FMLA and its implementing regulations as generally set forth above. During a leave, such eligible employees shall first use all accumulated earned time (if applicable) prior to commencement of no-pay status for the balance of the leave. Paid time off shall be included in calculating the leave-time limit.

A work week for part-time employees shall be equivalent to the average number of hours worked each week. If an employee's schedule varies from week to week, a weekly average of hours worked over the 12 weeks prior to the beginning of the leave period is to be used for calculating the employee's normal work week.

