

03.504 Supplemental Compensation.

Purpose. To provide for the orderly administration of supplemental compensation to regular staff members, in compliance with applicable state and federal law.

General Policy. The University of North Texas System provides a range of opportunities for staff members to receive supplemental compensation for services performed in addition to or outside the scope of their regular assignment. Such opportunities and the associated arrangements, including total amount of compensation, method of payment, and duration, should always be approved in advance by the appropriate administrative authorities as outlined below.

Types of Supplemental Compensation.

- a. Task Payments. A task rate is a rate agreed upon between the System and an employee for work performed that is based on completion of an assignment, rather than an explicit per hour rate. For example: an employee agrees to provide a service, such as conducting a seminar. Because the hours of work needed to prepare for the seminar can only be estimated, and the employee is to be paid only on successful completion of the seminar, it is not possible to accurately establish an hourly rate in advance of completion of the assignment. Other examples of work which may be appropriate to authorize as task rate assignments (such work might also be authorized on an hourly basis) include:
 1. Consulting or other professional services outside the scope of the staff member's regular assignment.
 2. Editing or translating activities
 3. Technical or skilled craft projects

Task assignments are restricted to one-time services or projects, or periodic jobs of limited time commitment.

Task rates must be re-approved and new payroll authorization submitted if continued into a subsequent fiscal year. In general, a task assignment is considered a separate job from, and is performed outside of, the regular work schedule for the employee. Task payments may not be substituted in place of a regular salaried status appointment if the hours and duration of the assignment would otherwise render the employee eligible for regular benefits. Task payments are subject to all applicable benefits deductions.

Both regular and non-regular staff may be authorized for task payments. Payments made to regular staff members on a task basis must conform to the description of “incidental work” as found in the U.S. Office of Management and Budget’s Circular A-21:

It is expected that “incidental work” will represent an insignificant part of the overall activities of university employees and that the effort devoted to it will be clearly in addition to, and unrelated to, the employee’s regular assignments.

NOTE: Purchase orders may be appropriate for payment in some instances when services are performed on a contract basis; however, an individual who is not already a current System employee, but does not satisfy the IRS requirements for classification as an independent contractor must be classified and paid as an employee, on either a task or hourly basis as appropriate.

Task assignment payroll authorizations must be documented as to the type of work performed, estimated hours of work required for completion, pay rate, and regular assignment of the employee (if applicable.) Task payments must be approved by (1) the account holder, (2) the employing department head, and (3) the Vice Chancellor or Chancellor before submission to UNT Human Resources for review and to UNT Payroll for implementation.

The actual hours of work required to complete the task assignment will almost certainly vary; however, care must be taken to ensure that the payment is in compliance with all applicable Fair Labor Standards

Act (FLSA) minimum wage and overtime regulations. UNT Human Resources is responsible to review the documentation for the task to determine if FLSA requirements are met. Particularly, non-exempt employees who perform work classified within their same occupational category cannot be paid by task but must be compensated for overtime worked at their regular hourly rate times 1.5. Generally, if the employee's knowledge, skills, or abilities gained from working in their regular assignment is the reason for their selection for the additional assignment, they will meet the occupational category test and must be paid overtime rather than as a task, regardless of whether they usually perform those specific functions performed in the additional assignment.

- b. Augmentation Payments. An augmentation is an addition to the base rate of a regular salaried employee for an assignment or working condition that is generally integral or generalized throughout the employee's regular position assignment rather than a separate job. For example, an employee may be asked on a temporary basis to assume responsibilities for another position which is vacant. To qualify for an augmentation the duration of the additional assignment must be no less than 6 weeks. Usually the additional assignment will involve a higher level of work requiring the exercise of skills or knowledge beyond the requirements for the employee's regular assignment. Only regular staff are eligible for augmentations.

An augmentation for a higher level responsibility is generally appropriate when the assignment may reasonably be anticipated to be temporary, with the understanding that the employee's base salary rate remains unaffected by the augmentation such that total compensation returns to the base rate when the augmentation is discontinued. If the assignment is reasonably anticipated to be permanent, reclassification of the position is generally more appropriate than augmentation.

An augmentation may be structured as an additional fixed dollar amount per pay period based on an established agreement, or may be calculated as a

percentage of the employee's regular base salary. Generally, augmentations for temporary assignments will be between 10% and 20% of the employee's regular base salary.

To distinguish further an augmentation from a task, a task generally requires separate and additional hours of work. An augmentation is generally performed within the framework of the employee's regular work schedule. If the assignment associated with an augmentation does require additional work hours, those hours shall be compensable to the employee in accordance with the employee's classification and the applicable policies on compensatory leave and overtime.

A specialized type of augmentation is the pay differential, which is compensation for an aspect of the employee's assignment which is less than desirable or more strenuous in comparison with the assignments generally assumed by other employees in the same classification. Examples include unusual hours or days of work, certain physically strenuous working conditions, or assignment to a considerably larger and more complex work environment such as a desk assignment in a large residence hall. The determination of whether to implement a pay differential is made by the employing department and the appropriate budgetary authority in consultation with the Human Resources Department.

Augmentations must be documented in writing including the nature of the assignment (reason for the supplemental payment), the amount, and the anticipated duration. Such documentation may be included on, or attached to, the payroll authorization. Augmentations require the prior approval of (1) the account holder, (2) the employing department head, (3) the Vice Chancellor or Chancellor before submission to UNT Human Resources for review and UNT Payroll for implementation.

Limitations on Compensation. There are no limitations, except as may be provided in other applicable policies, procedures, and/or governing requirements, on the amount a System staff member may be paid as compensation in excess of base salary; however

supervisors as noted in sections 3.1 and 3.2 above will be held accountable for the appropriateness of such payments.

Administration Responsibility. It is the responsibility of the employing account holder, department head, or other authority reporting to the Vice Chancellor or Chancellor to determine compliance with the above policy in each instance of supplemental compensation submitted for payment, in conjunction with advice and recommendation from the UNT Human Resources Department.

Approved:
Effective:
Revised: