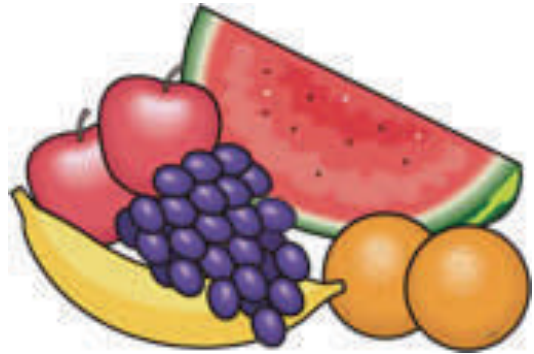


From the HR Director

Beth Cox

Confused by the ‘exempts’? Let me explain.....

Fair Labor Standards Act (FLSA). This law sets out federal requirements for the minimum wage and overtime pay. Employees who are not entitled to minimum wage or overtime are called “exempt” employees, because they are exempt from the requirements. So which employees are exempt? The FLSA has several tests that help us to make this determination; the categories include: executive, administrative, professional, highly paid, outside sales, certain computer positions, and apprentices.



For an employee to fall within these exemptions, the basic rule is that the employer must pay that employee a full salary for any week in which the employee performs any work, regardless of how many days or hours the employee actually works. Employers do not, however, have to pay the employee for any workweek in which no work is performed.

Q: So when should vacation or sick leave be used to keep pay whole?

A: Only when an employee is absent from work for one full hour or more for personal reasons. Leave time coded should be done so in full hours only, not in minutes.

Q: Are all EPA positions exempt from the FLSA?

A: No. EPA and SPA designations refer to a NC General Statute, not the Federal law.

Personnel Act (G.S. 126). This is a General Statute in the State of North Carolina. The intent and purpose of this Chapter is to establish for the government of the State a system of personnel administration under the Governor, based on accepted principles of personnel administration and applying the best methods as evolved in government and industry. The Office of State Personnel shall make recommendations for policies and rules to the State Personnel Commission based on research and study in the field of personnel management, develop and administer statewide standards and criteria for good personnel management, provide training and technical assistance to all agencies, departments, and institutions, provide oversight, which includes

From the HR Director, *cont'd.*

Beth Cox

rules, administer a system for implementing necessary corrective actions when the rule, standards, or criteria are not met, and serve as the central repository for State Personnel System data. The agency, department, and institution heads shall be responsible and accountable for execution of Commission policies and rules for their employees.

Q: What is “SPA”

A: The acronym “SPA” means Subject to the Personnel Act. SPA positions can be either exempt from the FLSA or non-exempt depending on the determination of the FLSA test.

Q: What is “EPA”

A: The acronym “EPA” means Exempt from the Personnel Act. EPA positions can be either exempt from the FLSA or non-exempt depending on the determination of the FLSA test. There are several categories of EPA positions including Faculty, Non Faculty, Instructional, Research, and Administrative positions. These positions are defined in G.S. 126 and governed by G.S. 116 and policies under the Board of Governors.

Want more information? See this link: http://intranet.northcarolina.edu/docs/hr/HR%20Admin/Employment_Policy_Comp_SPA-SAAO-InsRes_3-15-04.pdf

Accruals & Timesheet News

Ginger Salmons

Increase in Federal Minimum Wage

The current minimum wage in North Carolina is \$6.15 per hour. **Effective Thursday, July 24, 2008 the federal minimum wage will increase to \$6.55 per hour.** In North Carolina, employers are required to pay the higher of the state or federal minimum wages.

To comply with the current and July 24, 2008 Minimum Wage increase, the procedure for Time Records and Payroll processing for the **July 16th thru August 15th, 2008 Mid-Month Temporary Payroll** will be as follows:

Employees paid at an hourly rate less than \$6.55 per hour will report with **2 Timesheets:**

- ◆ **Timesheet #1:** Hours and earnings should be reported at the employee’s current hourly rate of pay for the period July 15th—July 23rd, 2008.
- ◆ **Timesheet #2:** Hours and earnings should be reported at the increased hourly rate (\$6.55) for the period July 24th—August 15th, 2008.



Accruals & Timesheet News, *cont'd*

Ginger Salmons

In a situation involving a rate of pay increase for any Temporary Employee, the hiring Supervisor/Manager must also submit a new Temporary Employee 301 Certification Form. This form is located on the HR website: *Recruitment > Temporary Employees*. Please submit the new 301 Form with the increased hourly rate to HR along with timesheets.

We appreciate your cooperation in adhering to the Timesheet and Payroll procedure for the July 16th—August 16th Mid-Month pay period.

If you have questions, please feel free to contact me.

**For more information regarding the Minimum Wage increase go to:
www.nclabor.com**



Classification & Compensation News

Susan Porter

Career Banding

Updates to the Classification and Compensation section of the Human Resources web site continue. Please visit <http://www.ncarts.edu/humanresources/classification.htm> to access documents needed when initiating any action for a career-banded position. Links are in place for the SPA 201, Position Description, and Competency Assessment Forms. You can also access the Office of State Personnel's Career-Banding site and a new link to view the Class Specifications for any Career-Banded position. The OSP site contains several career-banding forms, but please use only forms with the NCSA logo when writing a position description or completing a competency assessment, and the most current version of these forms will be maintained on the Classification and Compensation section of the HR website.

Thank you!

Recruitment News

Ashley Sanders

Adobe Digital Signature.

While almost everyone currently uses a digital signature to sign documents (which helps expedite the approval process), there are some who are still either unfamiliar with the use of a digital signature or are just unwilling to make that leap into the digital world.

A digital ID is required to sign a digital signature field in a PDF document. A digital ID contains your digital signature as well as information you've provided to identify yourself. If you don't already have a digital ID, you can create one yourself.

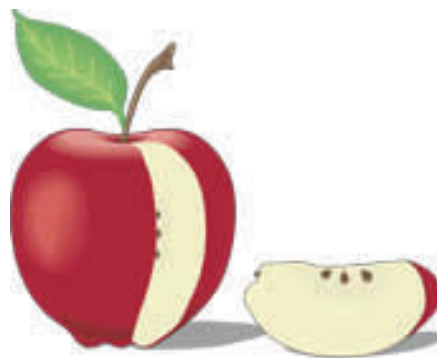
To create a self-signed digital ID, follow these steps:

- ◆ With the PDF document open, click on *Advanced* > *Security Settings*
- ◆ Select *Digital IDs* on the left
- ◆ Click on the *Add ID* icon to the right
- ◆ Follow the instructions in the *Add Digital ID* dialog box.

Then, to sign a document digitally, do the following:

- ◆ Make sure you have finished making changes to the document.
- ◆ If the document includes a digital signature field, place your cursor on the signature field and click , or on the Tasks toolbar, choose *Sign* > *Sign Document*.
- ◆ If the document has not been signed, you may be asked to certify the document or continue signing.
- ◆ To sign, choose *Continue Signing*, and follow the instructions in the dialog box.

Once you've signed the document, save it to the folder/file of your choosing and send it on to the next person. **It's really too easy not to give it a try.....**



Benefit News

Mary Ellen Haynes

Health Plan Update! You may have read articles in the news recently about the financial status of the State Health Plan. To read communications from the new Executive Administrator, go to: <http://www.shpnc.org> and click on “Member Update”.



Employee Appreciation Week Survey. Just a few days left to take the survey on the 2008 Employee Appreciation Week! We will close the survey on July 31, 2008. For those of you who have not yet taken the survey, please do so. To access the survey, go to the following site: http://www.surveymonkey.com/s.aspx?sm=aZ_2be027VqfjuSpokAuPHfA_3d_3d

Understanding Health Plan Out-of-Pocket Expenses. Do you sometimes find it difficult to understand how our health plan calculates the amount that is paid on your claim? And when you receive an Explanation of Benefits (EOB), it only confuses you more? One of the most important steps in understanding how claims are paid is understanding the out-of-pocket expenses that are specific to your plan.

Annual Deductible. A *deductible* is the dollar amount you must incur for certain covered services in a benefit period before benefits are payable by the State Health Plan. If one or more dependents are covered under your health plan, you and each of your dependents have an individual *deductible* and a combined family *deductible*. Plan *deductibles* are applied *once* to each plan year which begins on July 1st and ends on June 30th of the following year. (Example: The PPO Standard (80/20) Plan carries an annual individual *deductible* of \$300. Claims will be denied until you receive services totaling more than \$300 in the plan year. When the new plan year begins, you must start over, and again satisfy the *deductible* before claims will be paid.)

Copayment. A *copayment* is a fixed dollar amount you must pay for some covered services. The provider usually collects this amount at the time the service is received. *Copayments* apply to doctor visits, as well as urgent care, inpatient admissions, and emergency room services. (Example: The PPO Standard (80/20) Plan carries a \$20 *copayment* for primary care, a \$40 *copayment* for specialist care, and a \$200 *copayment* for emergency room care.)

Coinsurance. *Coinsurance* is probably the most misunderstood out-of-pocket expense. *Coin-surance* is a portion of the cost of certain covered services that you must pay that is, in essence, your contribution toward insuring yourself. Coinsurance is generally applied based on the type of facility where services are received. Services received in a hospital setting, outpatient setting, or hospital-owned/operated physician practice are generally subject to coinsurance, whereas, services received at a non hospital-owned/operated physician practice are not. (Example: The PPO Standard (80/20) Plan will generally pay 80% or \$800 of a \$1,000 bill; you will co-insure yourself for the remaining 20% or \$200 of that bill.)

Benefits News, *cont'd.*

Mary Ellen Haynes

Out-of-Network Providers. Receiving services from a provider who is out-of-network will also result in additional out-of-pocket expenses for you. Our health plan enters into contracts with a variety of health care providers. As part of the contracting process, our health plan negotiates the amounts they will pay for certain services; these amounts are generally lower than the actual cost and become the ‘allowable amount’ (a term you will see on your EOB). These contracted providers become part of the health plan network; they have agreed to file claims and accept pre-determined ‘allowable amounts’ for services rendered. When you receive services from an out-of-network provider, our health plan will pay only the ‘allowable amount’, and you will be responsible for paying the remainder of the provider charges.

Claims Process. Each time a claim is submitted to the health plan, you receive an EOB that explains how the claim will be paid. The EOB will include the date of service and the name of the provider. It will list the provider charge, the health plan’s ‘allowable amount’ for the service, any copayment received, the amount paid by the health plan, and the amount you owe (if any). When the health plan does not pay the claim in its entirety, the EOB will include codes that correspond with reasons for non-payment. Reasons for non-payment of the entire claim may be things like “annual deductible not met”, “coinsurance amount”, or “out-of-network provider”. A copy of the EOB is sent to the provider and to you. The EOB is not a bill and does not require payment. If there is an amount that you owe, the provider will generally bill you, and it is best to make payment based on the bill received rather than the EOB.

