

\$750 Bonus

Questions and Answers

Updated 10/5/2015

This question and answer refers to House Bill 97 (Budget Bill) Section 30.18A Special \$750 Bonus.

LEGISLATION COMPENSATION BONUS AWARDED FOR FY 2015-2016 SECTION 30.18A

(a) Any person

(i) whose salary is set by this act in Part 9 or this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and

(ii) who is employed in a State-funded position on November 1, 2015,

shall be awarded a one-time, lump-sum compensation bonus for the 2015-2016 fiscal year in the amount of seven hundred fifty dollars (\$750.00), payable during the month of December 2015.

b) Notwithstanding G.S. 135-1(7a), the compensation bonus awarded by this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

(c) The compensation bonus awarded by this section is not part of annual salary and shall be paid out separately. The compensation bonus shall be awarded to eligible permanent employees without regard to an employee's placement within the salary range, including employees at the top of the salary range. The compensation bonus shall be adjusted pro rata for permanent part-time employees

QUESTIONS AND ANSWERS \$750

1. *What are the basic requirements to be eligible for the \$750 bonus?*

All employees who employed (in pay status) in a State funded position on November 1, 2015.

2. *10/5/2015 Are charter school employees paid the \$750 Bonus?*

Charter school employees are not required to be paid according to the State salary schedules nor required to be paid the \$750. Salary and bonus payments are the decision of the board of the charter school.

The charter schools received the per pupil share of the funding provided to the school districts for this bonus in the state base allotment per student. The amount per ADM included is \$80.42.

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NOT ELIGIBLE

1. *Are contracted personnel eligible for the bonus?*

No, an individual must be employed by the State.

2. *Do employees who are employed less than 20 hours per week receive a pro rata amount of the bonus?*

No, these employees, by definition, are considered temporary.

3. *If an employee is employed after November 1, 2015, do they receive a prorated bonus?*

No.

4. **10/5/2015** *If an employee has an effective retirement day of November 1, are they eligible?*

No.

ELIGIBLE

5. *Are certified personnel eligible to receive the bonus?*

Yes, provided they meet the criteria set above.

6. *Are certified personnel who receive an increase in salary eligible?*

Yes, provided they meet the criteria set above. This includes teachers, instructional support, assistant principals, principals, and is regardless of whether they received another kind of increase or bonus such as a step increase or the school based administrator “no step” bonus of \$809.

7. *Are personnel who were NOT employed in fiscal year 2014-15 eligible to receive the bonus?*

Yes, provided they meet the criteria set above and they are employed on November 1, 2015 in a state funded position.

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8. *Do probationary employees get the bonus?*

Yes, probationary employees are eligible, provided they meet the criteria set above.

9. *Are employees on leave without pay eligible for the bonus?*

Employees on leave without pay receive the bonus when they return to pay status without a break in service.

10. *What if the employee is on sick leave or some other extended absence?*

Yes, provided they are in pay status, they receive the \$750.

11. *Do employees who are on short term disability receive the bonus?*

Yes, they are eligible for the bonus if they return to work without a break in service.

12. *Does an employee suspended with pay qualify for the bonus?*

Yes, provided he/she is in pay status, he/she is eligible to receive the bonus.

13. *Are locally funded employees eligible for the bonus?*

The legislation provides the bonus to those persons employed in a permanent state funded position. Therefore, there are no state funds for persons employed in local funded positions. The local board of education may authorize the bonus payments from local funds for locally funded positions.

14. *Are federally funded employees eligible for the bonus?*

The legislation provides the bonus to those persons employed in a permanent state funded position. Therefore, there are no state funds for persons employed in federally funded positions. These individuals shall be paid the bonus from the same federal funds as their regular salary.

PRORATION

15. *Are part time employees eligible?*

Yes, part time employees are eligible for a pro rata amount of the \$750. These employees must be in a permanent status.

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16. Are all employees prorated based on 40 hours as full time?

The work week for teachers, instructional support positions and teacher assistants is established by the local Board of Education. Therefore, these positions may have less than 40 hours authorized as full time, if the local board of education has approved.

For all other certified and non-certified employees full time is 40 hours and the \$750 must be prorated accordingly.

For example,

A Local Board of Education has determined that the full time hours for a teacher assistant is 37.5 hours. Therefore the \$750 will be prorated only if a teacher assistant in this LEA is scheduled to work less than 37.5 hours.

If the teacher assistant A works 37.5 hours, $\text{bonus} = 37.5/37.5 \times \$750 = \$750$
If the teacher assistant B works 30 hours, $\text{bonus} = 30/37.5 \times \$750 = \$600$

A clerical staff works 37.5 hours per week. The \$750 must be prorated based on a 40 hour work week.

If the Clerical Staff A works 37.5 hours, $\text{bonus} = 37.5/40 \times \$750 = \$703.13$
If the Clerical Staff B works 30 hours, $\text{bonus} = 30/40 \times \$750 = \$562.50$

17. Is the bonus prorated for less than 12 months employment?

No, full time employees who work less than 12 months receive the full \$750.

18. If an employee resigns after November 1, 2015, will they receive the bonus?

Yes, they will receive the full bonus.

PAYMENT AND CODING

19. How should the \$750 bonus be paid?

It should be paid in the month of December, 2015 as a lump sum payment separate from the regular pay.

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20. Where should the expenditures be posted?

All bonus payments should be coded to **object code 180** – Bonus Pay (not subject to retirement) and the purpose code used for their regular salary.

- State funded personnel should be coded to PRC 045. This is an audited guaranteed allotment with the appropriate purpose code.
- Local funded personnel coded to local funds, determined by the LEA.
- Federally funded personnel to the federal grant from which their regular salary is paid

21. If the employee is split funded between State and local, who pays?

The State will pay for the percentage of State employment. The local funds would be responsible for the remainder.

OTHER

22. Is the \$750 bonus subject to an employee's longevity payment?

No this is a bonus payment, not salary and therefore not included when calculating the longevity payment.

23. Is the \$750 bonus subject to retirement withholding and matching?

No, the bonus is not considered compensation for retirement purposes and is NOT subject to retirement.

24. Is the \$750 bonus subject to taxes?

Yes, the bonus is considered income and is subject to applicable taxes.