

## Payment Categories and Hiring Methods for Individuals Classified as an Employee

If, upon Human Resource's review of a completed <u>Independent Contractor Questionnaire (ICQ)</u>, an individual is classified an employee, there are several hiring methods and payment categories available. School and Units may have specific processes regarding administrative or academic appointments. Depending upon the hiring method chosen, different departments may be responsible for processing the type of payroll. See <u>Employment Outside of Massachusetts (Domestic and International)</u> or contact your local <u>Human Resources Office</u> (HR), Academic or Faculty Affairs Office, or Finance Office (FO) for additional guidance. Harvard students providing services to Harvard should be placed on a Harvard payroll and not paid as an independent contractor.

Category	Category Details	Benefits Eligibility	Fringe/Agency Fees
HARVARD REGISTERED PAYROLL STAT	<b>ES EMPLOYMENT OPTIONS</b> – If approved to work off-campus, non-U.S	. citizen employees mu	st confirm that
there are no restrictions on work locat	ion based on immigration status.		
FACULTY OR RESEARCHER APPOINTMENT TYPES	- SCHOOLS MAY HAVE SPECIFIC APPOINTMENT PROCESSES REGARDING ACADEMIC OR RESEARCH	ARCH APPOINTMENTS; CONTA	CT YOUR ACADEMIC
OR FACULTY AFFAIRS OFFICE FOR ADDITIONAL GU	IIDANCE.		
Temporary Course Instructor Harvard Monthly Payroll Salaried Appointment Job Code: 700041 Object Code: 6120	<ul> <li>Individuals teaching or co-teaching a substantial portion of a course, listed as instructors in the course catalog, or those who hold a Harvard appointment for their teaching role.</li> <li>May hold an annual term appointment (up to 12 months) and renewable.</li> <li>Contact your Academic or Faculty Affairs Office for guidance.</li> </ul>	No benefits (eligible to participate in TDA)     Sick Time <sup>1</sup>	Object Code: 6300
Temporary Executive Education Course Instructor Harvard Monthly Payroll Salaried Appointment Job Code: 700042 Object Code: 6120	<ul> <li>Individuals teaching or co-teaching a substantial portion of an executive education course on a temporary or intermittent basis in an executive education program.</li> <li>May hold an annual term appointment (up to 12 months) and renewable.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> </ul>	Object Code: 6300
Temporary Academic Service Harvard Monthly Payroll Salaried Appointment Job Code: 700043 Object Code: 6120	<ul> <li>Individual whose primary academic appointment is non-paid (e.g., adjunct or emeritus) who is appointed to render non-instructional academic service and be paid on a temporary or intermittent basis.</li> <li>Contact your Academic or Faculty Affairs Office for guidance.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> </ul>	Object Code: 6300
Temporary Academic Researcher Harvard Monthly Payroll Salaried Appointment Job Code: 000048 – Vstg Undergrad Res Fel Job Code: 000050 – Vstg Postgrad Res Fel Object Code: 6120	<ul> <li>Used for short-term (≤1 year) appointments.</li> <li>Visiting Undergraduate Research Fellows – Enrolled in college (not Harvard).</li> <li>Visiting Postgraduate Research Fellows – College graduate with a bachelor's who may have either enrolled in a master's program (not Harvard) or hold a master's degree from Harvard or another institution.</li> <li>Working on behalf of/for Harvard rather than for their own professional development or on their own research.</li> <li>See Non-Benefits or PeopleSoft Job Codes for other options.</li> <li>Contact your Academic or Faculty Affairs Office for guidance.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> </ul>	Object Code: 6300



Category	Category Details	Benefits Eligibility	Fringe/Agency Fees
TEMPORARY (WEEKLY PAYROLL) APPOINTM	NENT TYPES— OVERTIME ELIGIBLE OR OVERTIME EXEMPT	1	
Temporary Employee – Overtime Eligible Harvard Weekly Payroll Paid by the Hour Job Code: 700011 – Full-Time Job Code: 700010 – Variable Hours Object Code: 6120 Hiring departments should work with their appropriate local finance, HR, or academic office when hiring Harvard students.	<ul> <li>May work 13 weeks. If covering for a leave of absence, backfill can be up to 6 months².</li> <li>Registered Harvard students and Harvard retirees⁵ may work as a temp indefinitely.</li> <li>May work full-time and any time worked over 40 hours paid at time-and-one-half hourly rate.</li> <li>May only switch from Temp to LHT once without a break in service. Thereafter, there is an 8-month break in service required University-wide when job ends before being rehired as a Temp or an LHT.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> <li>Pension 1,000-hr. rule<sup>4</sup></li> </ul>	Object Code: 6300
Less Than Half Time (LHT) Employee – Overtime Eligible Harvard Weekly Payroll Paid by the Hour Job Code: 710010 Object Code: 6120	<ul> <li>Must work ≤14 hours per week and may work indefinitely³.</li> <li>May only switch from LHT to Temp once (no cycling is allowed).</li> <li>No break required to be rehired as LHT unless previous LHT job ended due to violation, in which case requires 8-month break in service University-wide³</li> <li>May work more than 14 hours per week to cover for an employee on Intermittent FMLA who calls in sick. This is not allowed on a long-term basis for planned absences.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> <li>Pension 1,000-hr. rule<sup>4</sup></li> </ul>	Object Code: 6300
Occasional High Hour Contingent Worker (OHHCW) – Overtime Eligible Harvard Weekly Payroll Paid by the Hour Job Code: 700012 Object Code: 6120	<ul> <li>May work up to 455 hours per fiscal year (JUL-JUN) with the following limitations</li> <li>May have hours worked in no more than 12 weeks per fiscal year</li> <li>May have hours worked in no more than 3 consecutive weeks</li> <li>Cannot switch between OHHCW and Temp or LHT during a fiscal year</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> <li>Pension 1,000-hr. rule<sup>4</sup></li> </ul>	Object Code: 6300
Temporary Employee - Exempt Harvard Biweekly Payroll Salaried Appointment (set hrs. & pay) Job Code: 700020 Object Code: 6120	<ul> <li>Position needs to be determined to be exempt by HR (i.e., salaried payment with no variation in payment pay period to pay period).</li> <li>May work for up to 6 months. Requests for extensions should be directed to local HR.</li> <li>Registered Harvard students and retirees<sup>5</sup> may work as a temp indefinitely.</li> <li>60-day break required before can be rehired as temporary employee at same school/tub.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> <li>Pension 1,000-hr. rule<sup>4</sup></li> </ul>	Object Code: 6300



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Less than Half Time (LHT) Employee - Exempt Harvard Biweekly Payroll Salaried Appointment Job Code: 710020 Object Code: 6120	<ul> <li>Position needs to be determined to be exempt by HR.</li> <li>Must work less than 17.5 hours per week and may work indefinitely.</li> </ul>	<ul> <li>No benefits (eligible to participate in TDA)</li> <li>Sick Time<sup>1</sup></li> <li>Pension 1,000-hr. rule<sup>4</sup></li> </ul>	Object Code: 6300
REGULAR HARVARD EMPLOYEE (FACULTY OR S	TAFF)	•	<del>-</del>
Permanent Position Harvard Biweekly or Monthly Payroll Appointment type varies based on posting Job Code: Varies based on posting Object Code: Varies based on posting	Human Resources, Academic Services or Faculty Planning may determine that a permanent, posted job is appropriate.	Benefits linked to employee's primary job	Object Code: Varies
Additional Compensation May be paid on biweekly, weekly or monthly payrolls Earnings Code: Varies based on services and paygroup Object Code: 6190 or 6200 (most common)	<ul> <li>Best practice is to pay any Harvard employees with an active paid job via additional pay or as overtime rather than as an Independent Contractor (IC).</li> <li>Work that falls outside of an employee's normal, regular job assignment, cannot interfere with the employee's regular responsibilities, and are performed outside the normal work schedule. Prior approval should be obtained from the supervisor/home department. Should not be used to provide a regular supplement to an employee's salary or in lieu of an additional appointment.</li> <li>The payment type will depend upon the work completed (i.e., is it within or outside an individual's normal Harvard duties).</li> <li>Generally used for academic or exempt staff positions; though in some cases may be applicable for overtime eligible employees. Consult with the employee's supervisor and HR Office prior to work being completed.</li> <li>See PeopleSoft Earnings Codes for appropriate selection.</li> </ul>	Benefits linked to employee's primary job	Object Code: 6320 or 6321 (most common)
Overtime Eligible Employees Harvard Biweekly Payroll Paid by the Hour Object Code: 6202	<ul> <li>Use when services are similar to an employee's current Harvard duties (e.g., exhibitions crew assists in one-time exhibition set-up for another school).</li> <li>Any hours over 40 will be paid at 1.5 hourly rate.</li> <li>Must follow local school guidelines and regulations.</li> </ul>	Benefits linked to employee's primary job	Object Code: 6321

## HARVARD UNIVERSITY HUMAN RESOURCES LABOR AND EMPLOYEE RELATIONS and FINANCIAL POLICY OFFICE

Revision Date: 02/01/2023

Category	Category Details	Benefits Eligibility	Fringe/Agency Fees	
OTHER PAYROLL TYPES FOR MASSACHUSETTS - Non-U.S. citizen employees must confirm that there are no restrictions on work location based on immigration status.				
Harvard/DZConneX (formerly Yoh) Managed Services Program (MSP) Note: Suppliers in the MSP are enrolled staffing/temp agencies and payrollers. Best practice is to seek contingent labor through the MSP.  An individual who does not pass IC qualification may be "payrolled" through the MSP.  An individual who does qualify as an IC may be paid through Harvard's account payable system following University policies.	<ul> <li>Tub must be enrolled in Harvard/DZConneX (formerly Yoh) MSP</li> <li>&gt;60 temp and staffing agencies enrolled, plus two payrollers, AllSource and Checks and Balances</li> <li>Tenure limits range from 3 to 18 months depending on role</li> <li>Overtime-eligible jobs have a 3-month tenure limit, or no tenure limit if 14 hours per week or less</li> <li>After a 3-month assignment is completed, the worker may be assigned at another Harvard "tub" immediately, or at the same tub after a 60-day waiting period.</li> <li>If covering for named Harvard employee on leave expected to return, this may be extended to 6 months</li> <li>18-month tenure limit for exempt or computer professionals, though easily renewable. This self-imposed limit is intended as an HR check-point before a contingent resource is renewed for beyond the 18-month term.</li> <li>Workers report time online in Fieldglass; hours approved by Harvard manager are transmitted to Oracle AP for automatic payment to DZConneX.</li> </ul>	<ul> <li>Suppliers in program are obligated to provide workers with statutory benefits, such as workers' compensation, Mass. sick time</li> <li>Additional benefits may be available based on hours worked.</li> </ul>	<ul> <li>Recruited roles (temp agency identifies the worker) generally have fees capped at 40% above the worker pay rate (worker pay rate + markup = bill rate).</li> <li>Payrolling fees (where Harvard identifies the worker) are 20.25-20.5% of worker pay for Mass instate.</li> <li>Eligible for a 1% quick pay discount, making net payrolling fees 19.25-19.5%.</li> </ul>	
	<b>EMPLOYMENT OPTIONS OTHER STATES</b> - For individuals classified as employees working in states other than Massachusetts Contact your local HR office for additional guidance. Non-U.S. citizen employees must confirm that there are no restrictions on work location based on immigration status.			
Harvard/DZConneX (formerly Yoh) Managed Services Program (MSP)	<ul> <li>Tub must be enrolled in Harvard/DZConneX (Formerly Yoh) MSP.</li> <li>60 temp and staffing agencies enrolled, plus two payrollers, AllSource and Checks and Balances</li> <li>18-month tenure limit. This self-imposed limit is intended as an HR check-point before a contingent resource is renewed beyond the 18-month term.</li> <li>Workers report time online in Fieldglass; hours approved by Harvard manager are transmitted to Oracle AP for automatic payment to DZConneX.</li> </ul>	<ul> <li>Suppliers in program are obligated to provide workers with statutory benefits, such as workers' compensation, etc.</li> <li>Additional benefits may be available as described in the attached plan documents from AllSource.</li> </ul>	<ul> <li>Recruited roles (temp agency provides individual) fees 35-39% above the worker pay rate (worker pay rate + markup = bill rate).</li> <li>Payroller roles (where Harvard identifies the worker) fees 19.1-19.35% of worker pay for out of state and eligible for 1% quick pay discount, making net payrolling fees 18.1-18.35%.</li> </ul>	



Category	Category Details	Benefits Eligibility	Fringe/Agency Fees
INTERNATIONAL EMPLOYMENT OF	TIONS –See Hiring and Staffing Options		
Harvard is not set up to comply with lo	cal employment and tax laws in countries where it does not have an est	ablished presence. Per the	Policy on Employment
Outside of Massachusetts (Domestic ar	nd International), employees working primarily outside of the United Sta	ates cannot be paid via the I	Harvard Payroll and must
follow the regulations based on the cou	untry in which they are completing the work.		
Partner with an established organization	<ul> <li>Harvard partners with an established organization in that country (e.g., a collaborator on a grant).</li> <li>Host country partner is set up to comply with local laws and accepts administrative burden.</li> </ul>	Determined by organization	Determined by the organization but administrative fees are usually 15-20% of salary
	<ul> <li>If applicable this is usually the most cost-effective, expedient, and risk-mitigating solution.</li> <li>Other Harvard programs operating in the host country may know of potential partners.</li> </ul>		plus any required employer payments and benefit contributions.
Hire via Harvard Global Research and Support Services, Inc.	<ul> <li>Harvard Global is an affiliated but separate nonprofit legal entity that can provide employment and payroll services in certain countries.</li> <li>Contact Global Support Services (GSS)</li> </ul>	Generally, yes	Harvard Global monthly service fee is-\$750/month in addition to any benefits available and employer taxes. There also is a one-time set-up fee.
Leverage existing Harvard-affiliated office in the host country	<ul> <li>An existing office is set up to comply with local laws and may be able to employ individuals on behalf of a Department.</li> <li>Contact Global Support Services (GSS) about existing Harvard-affiliated offices overseas.</li> </ul>	Determined by office	Determined by office but admin fees can be up to 25% of total compensation in addition to any benefits available and employer taxes
Contract with an in-country professional employer organization (PEO)	<ul> <li>The PEO is responsible for compliance with local laws.</li> <li>Suitable for non-permanent employment arrangements (less than 3 years) in many countries.</li> <li>Global Support Services (GSS) can advise on allowability based on host country regulations.</li> <li>GSS works with multiple global PEO firms and can coordinate between the department and the firm.</li> </ul>	Determined by agency and country	Determined by agency but usually a set-up fee and substantial monthly service fee in addition to any benefits available and employer taxes.

<sup>&</sup>lt;sup>1</sup> Accrues one hour of sick time for every 30 hours worked, to a maximum of 40 hours of earned sick time each University fiscal year (7/1-6/30). Cannot use earned sick time until they have been employed for 90 days.

<sup>&</sup>lt;sup>2</sup> Individuals in an over-time eligible temp position may work up to 13 weeks and require an 8-month break in service University-wide before being hired again as a Temp. Temps can work up to 180 days if backfilling for an employee on an approved leave (does not apply for filling for a vacant position or for an employee on vacation, personnel, or non-FMLA sick leave).



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- <sup>4</sup>TDA and Pension do not apply to Harvard Students or Retirees. Other individuals must be credited with 1,000 hours of service in a calendar year to qualify.
- <sup>5</sup> Retirees are defined as individuals over 65 when they terminate from Harvard or individuals who are 55 with 10 years of participation service when they leave Harvard.

## Additional Information:

**Central Payroll** 

Employment Outside of Massachusetts Policy (Domestic and International)

Flexwork at Harvard

**Global Support Services** 

**Harvard Registered Payroll States** 

Staff Personnel Manual and Contracts

Considerations for Remote Job Postings for Foreign Nationals

<sup>&</sup>lt;sup>3</sup> If the LHT employee works more than 14 hours per week on three occasions within a one-year period (starting from their hire date), the employee must be removed from their position and an 8-month break in service University-wide is required before being hired again as a temp or LHT. There is no break required if hired into a benefited position (term, seasonal, regular, etc.).