HRM-029 Managing Staff Wage Employment

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Status Final

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Policy Type University

Contact Office Total Rewards

Oversight Executive
Vice President and Chief Human Resources Officer

Applies To Academic Division and the College at Wise.

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Reason for Policy

The University of Virginia applies fair hiring and employment practices and hires short-term wage employees on a limited basis for rational business reasons. In addition, the University is required to comply with federal and state law regarding eligibility for employer-provided health benefits, including provisions of the Federal Patient Protection and Affordable Care Act and the Virginia Manpower Control Program, § 4-7.0.1 of the Code of Virginia.

Definition of Terms

Exempt Employee

Description

An employee who is not subject to the minimum wage and overtime requirements of the Fair Labor Standards Act (FLSA) based on salary and duties performed. Exempt employees receive an annual salary for work performed until the duties of their job are complete, without expectation of pay for extended hours.

Fair Labor Standards Act (FLSA)

Description

Federal law establishing overtime pay, minimum wage and child labor requirements affecting full-time and part-time employees. Overtime pay at a rate of not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek for those employees covered by the Act (non-exempt).

Initial Measurement Period (IMP)

Description

The initial retroactive measurement or “look back” period established by the University for newly hired staff wage employees as required by the Patient Protection and Affordable Care Act. The University’s IMP is established as 12 months from the 1st day of the month following the new staff wage employee’s hire date. For example, a new staff wage employee hired on January 15th will have an initial measurement period of February 1 to January 31.

Short–Term Project

Description

Work assignments not to exceed an average of 29 hours per week or 1500 hours in an annual standard measurement period.

Staff Wage Employee

Description

A staff employee who is hired to perform a short-term work assignment and is ineligible for leave or other benefits, except for pre- and post-tax savings plans, and the Wage Health Plan when requisite criteria are met. These employees are not covered by the Virginia Personnel Act and may be compensated in one of two ways:

1. **Hourly:** The terms and conditions of employment stipulate an hourly rate of pay rather than a fixed salary and paid on an hourly basis for actual hours worked. Positions paid on an hourly basis are, in most cases, non-exempt.
2. **Period Activity Pay (PAP):** The pay structure used to pay employees a lump-sum over a period of time for fixed-term activities. It is administered outside of the formal compensation package. The lump sum payment will be equally distributed over the pay cycles included in the payment time frame.

Non-Exempt Employee

Description

An employee who, based on salary and duties performed, is not exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act and must be compensated at a rate of one and one-half times their regular rate of pay for hours worked in excess of 40 in a workweek.

Standard Measurement Period (SMP)

Description

The retroactive measurement or “look back” period established by the University as October 3 to October 2 as required by the Patient Protection and Affordable Care Act.

Policy Statement

The University of Virginia employs Staff Wage Employees to supplement the workforce to cover seasonal or temporary workload, provide interim replacements, or perform short-term projects.

Staff Wage Employees are permitted to work up to 1500 hours annually (28.8 hours/week on average) in compliance with both the Patient Protection and Affordable Care Act (PPACA) and the Virginia Manpower Control Program, § 4-7.0.1 of the Code of Virginia.

If a Staff Wage Employee holds multiple positions at the University, the 1500-hour limit applies to the cumulative time worked for ALL positions.

No exceptions to the 1500-hour limit are permitted. When a Staff Wage Employee reaches 1500 work hours in either the Standard Measurement Period (SMP) or Initial Measurement Period (IMP), the Staff Wage Employee must not be allowed to work again until the beginning of the new measurement period.

Schools/units/departments must identify an anticipated level of effort/number of hours worked per week when establishing staff wage positions based on Period Activity Pay. This figure should represent an average for work across the duration of the Period Activity Pay. This number will be used in the determination of health benefit eligibility under the PPACA. The payment for staff Period Activity Pay assignments must be greater than the equivalent FLSA salary exemption threshold.

1. **Retired Employees Returned to Work:**
   Employees who retire under the Virginia Retirement System (VRS) (including the University's Optional Retirement Plan) may work for any non-VRS employer and continue to receive retirement benefits. However, the retirement benefits of those employees returning to covered employment (i.e., typically full-time, permanent salaried employment with an employer participating in VRS), must stop.

   Under some circumstances, a retired employee receiving benefits under VRS may continue to receive retirement benefits while working in a non-covered position (i.e., a part-time position with a VRS-participating employer that typically requires 80 percent or less of the hours of comparable full-time positions) not to exceed an average of 28 hours per week and 1500 hours per fiscal year. Former UVA employees, retired under VRS and working for the University in a wage capacity must have a bona fide break in service. A bona fide break in service is a break of at least one full calendar month from the employee's retirement date over a period the employee would normally work. Periods of leave with or without pay do not count towards satisfying the break in service.

   Hiring a retiree in a position that would be considered covered without reporting the retiree to VRS or hiring a retired former employee in a non-covered position without a bona fide break in service may subject the University to liability for repaying any retirement benefits received by the retiree while working in the position. The Code of Virginia also authorizes VRS to collect benefit overpayments from any employer (not the retiree) in cases where the employer does not comply with return-to-work requirements.

   (Note: Faculty are covered by policy PROV-003: Part-Time Employment of Retired Members of the Faculty.)

2. **Responsibilities:**
   The ***supervisor*** is responsible for:
   - Managing the total hours worked of each Staff Wage Employee (those compensated as hourly and Pay Activity Pay), previously employed by other units, to limit those hours to 1500 or less during the initial measurement period or standard measurement period.

- Managing their positions so as not to hire a Staff Wage Employee for a long-term, part-time position.
- With reasonable notice, terminating a Staff Wage Employee who has reached the 1500-hour limit.

UVA Human Resources is responsible for:

- Monitoring the total hours worked of each Staff Wage Employee to limit those hours to 1500 or less.
- Monitoring to verify that exempt employee-level work is being performed by staff Pay Activity Pay employees.
- Notifying departments when a Staff Wage Employee is approaching the 1500-hour limit.
- Notifying managers who have not done so, to terminate those Staff Wage Employees who have reached the 1500-hour limit.

3. **Compliance with Policy:**
   Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination in accordance with relevant University policies.

   Direct questions about this policy to Total Rewards.

Procedures

Guidelines for Managing the 1500 Hour Limit.

Related Information

HRM-030: Recruiting and Hiring of University Staff Employees
PROV-003: Part-Time Employment of Retired Members of the Faculty

Major Category Human Resource Management

Next Scheduled Review Friday, January 26, 2029

Revision History

Confirmed 1/26/26; Updated 1/26/23; Added Compliance section 7/20/21; Updated 8/3/15, 4/17/13.

Supercedes Policy Text

Wage Employment Policy.

Approved By Policy Review Committee

Approved Date Monday, June 8, 2009