



## STANDARD ADMINISTRATIVE PROCEDURE

### **31.01.99.M0.02 Supplemental Compensation and Dual Employment**

*Approved June 24, 1999*

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#### **Standard Administrative Procedure Statement**

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This procedure is set forth to provide guidance on various situations of supplemental compensation and dual employment at Texas A&M University in accordance to the guiding Texas A&M System Policies, System Regulations and University Rules.

The responsible Human Resources unit is based on the type of position: The Division of Human Resources and Organizational Effectiveness (HROE) is responsible for staff, students and temporary casual positions. The Division of Research is responsible for non-faculty research positions (including TAMUG). Dean of Faculties is responsible for faculty positions (including TAMUG). The Graduate and Professional School is responsible for graduate assistant positions. Texas A&M University at Galveston (TAMUG) Human Resources is responsible for TAMUG positions.

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#### **Definitions**

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Add Additional Job: The "Add Job" business process in Workday is meant to add an additional job when the employee is already working within the Texas A&M University System. The effect is to put the employee in a dual employment status.

Earning Codes: Compensation elements linked to One-Time Payment and Allowances.

Exempt Position: An employee who is exempt under the Fair Labor Standards Act (FLSA) is not eligible for overtime.

Dual Employment: An employee is considered dual employed when holding two or more State of Texas jobs.

Non-Exempt Position: Employees who are non-exempt from the requirements of the Fair Labor Standards Act (FLSA) are paid on an hourly basis, on a bi-weekly pay schedule at Texas A&M University and are eligible for overtime pay or compensatory time for hours worked over 40 in a workweek (Sunday – Saturday).

One-Time Payment: Term to indicate how Supplemental Compensation is processed in Workday. One-time payments should be initiated by the employing department to pay additional compensation, an award or to tax an employee for an emolument (non-salary compensation such as gift cards, sports tickets, etc.).

Supplemental Compensation: Compensation that is not an employee’s regular wages or salary and is considered Supplemental Wages by the IRS. Most supplemental compensation is not taxed at an employee’s W-4 rate but is taxed at a higher rate as determined by the IRS.

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## **Procedures and Responsibilities**

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### **1. GENERAL**

- 1.1 Per [System Policy 31.01, Compensation](#), section 2: The responsibilities for employment decisions are enumerated in [System Policy 01.03, Appointing Power and Terms and Conditions of Employment](#). Any supplemental compensation offered to an employee should be contained in the offer of employment and approved by the appointing authority. Any supplemental compensation granted after the initial offer of employment must be approved in writing by the appointing authority or the designee.
- 1.2 Per [System Regulation 33.99.05, Part-Time Employment](#): A part-time employee may accept additional part-time employment with another department within the Texas A&M University System (TAMUS) provided the employee obtains advance approval from the Department Head or designee of the employee’s primary position and the approval of the Department Head or designee from the employing department. This approval ensures proper coordination of employment when more than one department is involved and avoids violations of policy and law. A full-time employee may, with the approval of his/her manager, accept additional part-time TAMUS employment of a temporary or intermittent nature.
- 1.3 Increased responsibilities and/or additional duties must be performed without having any impact on the employee’s ability to perform their regular responsibilities in their primary role. If there is a negative impact on performance that affects any of the employee’s positions, the direct manager will need to contact the appropriate department regarding the additional employment.

- 1.4 Full-time employees who accept additional employment that is more than temporary or intermittent are governed by [System Regulation 33.99.06, Administration of Multiple Employment.](#)
- 1.5 The request for extra compensation will be submitted to the appropriate Human Resources unit for review PRIOR to services being performed. The appropriate Human Resources unit will determine if the supplemental compensation will be processed as a One-Time Payment, Add Additional Job or other salary action in Workday.
- 1.6 Per [System Regulation 33.99.06, Administration of Multiple Employment,](#) Dual employment exists when an employee of the state occupies two (2) (or more) separate positions within a State of Texas Agency.
- 1.7 The US Department of Labor (DOL) enforces the Fair Labor Standards Act (FLSA). For the purposes of this Standard Administrative Procedure, the FLSA establishes minimum wage, overtime pay and recordkeeping standards.
- 1.8 Under the provisions of FLSA, non-exempt employees will be paid overtime for hours worked over forty (40) in a workweek (Sunday – Saturday). When a non-exempt employee works in two (2) or more system positions, the hours in the two (2) separate positions are combined for overtime purposes. However, if one (1) of the positions is part-time and work is occasional or sporadic, solely at the employee's option, and in a different capacity from that in which the employee regularly engages, hours worked in the additional part-time job are excluded in assessing hours worked for overtime purposes.
  - 1.8.1 The Department of Labor requires recordkeeping that includes certain identifying information about the employee and data about the hours worked and the wages earned. This information includes time and day of week when employee's workweek begins, hours worked each day, total hours worked each workweek and basis on which employee's wages are paid (e.g., "\$9 per hour"). The One-Time Payment process does not ensure compliance with these FLSA recordkeeping requirements. Processing an Add Additional Job to compensate a non-exempt employee ensures compliance for FLSA recordkeeping requirements.
- 1.9 An employee may not receive compensation before services have been rendered per [Sec. 659.083. PAYDAY.](#) (a) Except as provided by Subsection (b), the comptroller may not pay the salary of a state officer or employee before the first working day of the month following the payroll period.

- 1.10 In accordance with [Standard Administrative Procedure 31.01.01.M7.01, Retroactive Pay Increases](#), Article III, Section 53 of the Texas Constitution prohibits the payment of retroactive increases to State employees.
- 1.11 Payments to individuals for services who are currently a TAMUS employee or have been employed by TAMUS within the calendar year must be processed through Payroll and cannot be paid through Accounts Payable. The department must contact Tax Compliance & Reporting if considering employing individuals as Independent Contractors to determine if an individual should be set up as an Employee or Independent Contractor. The department will complete and follow the instructions given on the [Employee vs. Independent Contractor Questionnaire](#). For guidance, refer to [Independent Contractor vs. Employee](#).
- 1.12 Grant/Sponsored Projects: All extra compensation requests on sponsored projects must have prior approval of Sponsored Research Services (SRS). The SRS Project Administrator reviews and approves requests for supplemental payments, verifying the availability of funds and compliance with award terms and conditions.
  - 1.12.1 Request of One-Time Payments for Research positions will route to the Research Partner in Workday and will require the approval from the Vice President for Research (VPR) or designee before work is performed.

## 2. ADDITIONAL COMPENSATION

- 2.1 Extra compensation for services performed that are considered to be supplemental wages (supplemental compensation), must be substantially outside the scope of the primary appointment of the employee as defined by the employee's position description within TAMUS. One-Time Payments are not a means to pay missed salary/missed hours, make an adjustment to base salary, award grant funding, temporary salary increases, internal equity or a bonus.
  - 2.1.1 Extra compensation for the use of "interim" or "acting" roles require PRIOR approval before duties are performed. Simply assuming additional responsibilities does not in itself constitute the basis for a One-Time Payment. A Temporary Salary Increase is an increase that on occasion, may be given to employees who takes on a temporary assignment for positions vital to an organization that must be filled on a temporary basis involving additional workload or responsibility. For guidance, refer to [Standard Administrative Procedure 31.01.01.M7.06, Temporary Salary Increases](#).

- 2.1.2 An Add Additional Job cannot be processed for every situation as most additional work is considered supplemental wages (supplemental compensation) per IRS guidelines. Supplemental wages will not be taxed at the employee's W-4 rate and will be taxed at a higher rate as determined by the IRS.
- 2.1.3 The appropriate Human Resources unit will review One-Time Payments for compliance and may rescind any action.
- 2.2 Non-Exempt Positions: In most cases, extra compensation for non-exempt positions (including positions that require student status) will be processed as an Add Additional Job or other salary action in Workday to comply with DOL and FLSA guidelines. For guidance, refer to sections 1.7 – 1.9.
  - 2.2.1 In most cases, Temporary/Casual Positions cannot receive a One-Time Payment and all additional work shall be processed as an Add Additional Job in Workday to accurately report hours per the DOL and FLSA guidelines.
- 2.3 Exempt Positions: The appropriate Human Resources unit will determine if extra compensation for exempt positions will be processed as a One-Time Payment, Add Additional Job, or other salary action in Workday.
  - 2.3.1 Add Additional Job: If extra compensation is determined to be processed as an Add Additional Job, the appropriate Human Resources unit can provide guidance on position attributes to be used in Workday.
  - 2.3.2 One-Time Payment: The department can request for extra compensation to be paid as a One-Time Payment. If the extra compensation is determined to be processed as a One-Time Payment, the appropriate Human Resources unit can provide the department with the appropriate Workday Reason & Workday Payment Plan.

**GUIDANCE FOR PROCESSING ONE-TIME PAYMENTS:**

- 2.4 Per guidance from [Payroll Services](#), it is the department's responsibility to be aware of retro and current payroll deadlines; if the One-Time Payment business process is initiated after the current period's payroll finalizes or is not completed by current payroll deadlines, the retro dated payment will not get picked up to pay the employee on the next on-cycle payment. Processing calendars are available on Payroll Services website.
- 2.5 For guidance on One-Time Payments processed in Workday, (refer to HROE's website for [Dual Employment](#)).

### 3. PAYMENT TYPES (EXCLUDING AWARDS)

The following Allowances and One-Time Payments (indicated by their earning code) are the **only** Allowances and One-Time Payments utilized by Texas A&M University. (Exception: TAMUQ allowances Qatar employees only):

- 3.1 Administering, Testing & Evaluations: One-Time Payment for administration of testing or evaluation of activities outside the employee's regular job duties.
- 3.2 Athletics Extra Work Pay: One-Time Payment for special assignments within the Athletic department outside the employee's regular job duties.
- 3.3 Building Proctor: For guidance, refer to [Standard Administrative Procedure 41.99.99.M0.01, Building Proctor Position](#). Building Proctors payments will be processed as a One-Time Payment or as an Allowance in Workday.
- 3.4 Communication Allowance & Communication Equipment Allowance: For guidance, refer to [Standard Administrative Procedure 25.99.09.M0.01, Communication Allowances](#). Communication Allowances will be processed as an Allowance in Workday. Communication Equipment Allowances will be processed as a One-Time Payment in Workday.
- 3.5 Continuing Education: For guidance, refer to [University Rule 11.99.99.M2, Continuing Education Activities Conducted by the University](#). Continuing Education payments will be processed as a One-Time Payment in Workday.
- 3.6 Critical Incident Response Team: One-Time Payment for additional work as part of an emergency response team outside the employee's regular job duties.
- 3.7 Excess of 100% Non-Teaching: One-time payment for teaching duties by non-faculty employees in excess of 100% in the employee's regular job duties.
- 3.8 Extra Pay Outside Regular Job Duty: One-time payment for additional work outside of employee's regular job duties in same position.
- 3.9 Graduate Student in Excess of 50%: One-Time Payment for additional work performed in excess of 50% by a graduate assistant outside their regular job duties. Prior approval required from the Graduate and Professional School.
- 3.10 On Call: Compensation for employees who perform on-call duties. Departments are required to have a formal policy in place that has been approved by the appropriate Human Resources unit to pay employees for

on-call duty. On Call may be paid as a One-Time Payment or noted in the employee's time sheet.

3.11 One Time Merit Payment: For guidance, refer to [University Rule 31.01.08.M1, Merit Salary Increases](#).

3.12 Other Allowances:

The President or designee may grant a Car Allowance and/or a Housing Allowance to employees. Allowances must be approved in writing by the President or designee.

3.12.1 Car Allowances are for the use of a privately owned vehicle. Car allowances are not to be used to pay or reimburse an employee for parking. Car allowances will be processed as an Allowance in Workday.

3.12.2 Housing Allowances are for the use of housing and living payments to employees. Housing allowances will be processed as an Allowance in Workday.

3.13 Relocation Allowance (including gross up): Employee moving expenses will be processed as a One-Time Payment in Workday (unless the employee is not yet available/onboarded in Workday, [see instructions for paying via AggieBuy](#)) and must be paid from local funds. No state funds may be used. Departments will document the amount given to the employee.

3.14 Resident Advisor Allowance: The Resident Advisor Allowance is only used by Residence Life on Texas A&M campus. Resident Advisor Allowances will be processed as an Allowance in Workday.

3.15 Sea Pay: One-Time Payment for straight time pay to exempt employees for working at sea per the US Maritime Law; should only be used by TAMUG and TAMU International Ocean Discovery Program.

3.16 Stipends: Texas A&M utilizes three (3) stipends, Administrative Stipend, Department Head Stipend and Distinguished Chair Stipend. These stipends are used for Faculty positions only. For guidance, refer to [University Rule 12.01.99.M1, University Statement on Academic Freedom, Responsibility, Tenure and Promotion](#).

3.16.1 Requests for stipends must have the approval of the Dean of Faculties and the Provost per section 8 of [Standard Administrative Procedure 25.07.01.M1.01, President's Delegation of Authority for Contract Administration](#).



- 3.16.2 The stipend will end immediately upon termination of the administrative/department head/distinguished chair appointment.
- 3.16.3 Administrative Stipend: In general, Administrative Stipends will be used for employees who are in Faculty positions with administrative duties. Administrative Stipends will be processed as an Allowance in Workday.
- 3.16.4 Department Head Stipend: In general, Department Head Stipends will be used for employees who are in Faculty positions who take on additional duties in a Department Head Role. Department Head Stipends will be processed as an Allowance in Workday.
- 3.16.5 Distinguished Chair Stipend: For Faculty employees who hold a Distinguished Chair/Professor designation. Distinguished Chair/Professor Stipends will be processed as an Allowance in Workday.
- 3.17 Summer Teaching: Faculty teaching assignments outside of the employee's academic term for the Summer months of June, July and August. Payments can be processed as either a One-Time Payment or an Add Additional Job in Workday (both payment methods are taxed at the W-4 rate).
- 3.18 Summer Research: Faculty positions performing research outside of the employee's academic term for the Summer months of June, July and August. Summer Research will be processed as an Add Additional Job in Workday and taxed at the W-4 rate. Summer Research cannot be paid as a One-Time Payment.
- 3.19 Study Abroad: Faculty positions proctoring or chaperoning a study abroad course outside of the employee's academic term for the Summer months of June, July and August. Payments can be processed as either a One-Time Payment or an Add Additional Job in Workday (both payment methods are taxed at the W-4 rate).
- 3.20 Teaching in Excess of 100%: Teaching duties for faculty employees in excess of 100% of the employee's regular job duties. It can be processed as an allowance or a One-Time Payment in Workday. An Add Additional Job is not recommended due to Supplemental Wages per IRS guidelines.
- 3.21 Temporary Salary Increase: For guidance, refer to [Standard Administrative Procedure 31.01.01.M7.06, Temporary Salary Increases](#).
- 3.22 Uniform Allowance: Payment for required uniform/clothing payments made to employees. Uniform allowances will be processed as an Allowance in Workday.



#### 4. AWARDS

[Standard Administrative Procedure 31.01.99.M0.01, Taxation of Special Payments and Awards to Employees](#) provides guidance to comply with IRS procedures for employee recognition and awards.

- 4.1 Employee Awards (including gross up): For guidance, refer to HROE's [Employee Recognition](#) page. Awards will be processed as One-Time Payments in Workday.
- 4.2 Fellowship/Teaching Award (including gross up): An award given to an employee for teaching or academic achievements.

#### 5. CAMPS

5.1 Camps (on or off campus) that are operated by an individual who has affiliation or is an employee of Texas A&M University will need PRIOR approval from the appropriate Human Resources unit prior to implementation to determine the hiring process, expected pay, position titles, expected work hours per week, camp dates and/or duration of camp, and possible overtime liability.

5.1.1 If the camp includes participants under the age of 18, reference [System Regulation 24.01.06, Programs for Minors](#) and [University Rule 24.01.06.M1, Campus Programs for Minors](#).

#### 6. PROGRAMS, INITIATIVES, INCENTIVES

6.1 A program, initiative and/or incentive that involves compensation and employment must be reviewed and approved by the appropriate Human Resources unit. The appropriate Human Resources unit and the department will collaborate and document how employees will be paid and how the work will be entered and/or recorded in Workday. If the individual is considered an employee, the appropriate Human Resources unit can provide guidance on the position attributes to be used in Workday. Any compensation and/or employment terms shall be consistently applied.

6.2 If a change in compensation and/or employment occurs within the approved program/initiative/incentive, consult with the appropriate Human Resources office before changes are implemented to determine if the change affects how employees will be paid and how the work will be entered and/or recorded in Workday.

6.2.1 Example: Compensation provided to the employee is for the use of professional development funds and is not paid directly to the

employee as a One-Time Payment. The proposed change is to allow the department to compensate the employee directly as a One-Time Payment.

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## **Related Statutes and Policies**

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[System Policy 01.03, Appointing Power and Terms and Conditions of Employment](#)

[System Policy 12.01, Academic Freedom, Responsibility and Tenure](#)

[System Policy 31.01, Compensation](#)

[System Regulation 24.01.06, Programs for Minors](#)

[System Regulation 31.01.01, Compensation Administration](#)

[System Regulation 31.01.02, Fair Labor Standards Act](#)

[System Regulation 33.99.05, Part-Time Employment](#)

[System Regulation 33.99.06, Administration of Multiple Employment](#)

[University Rule 11.99.99.M2, Continuing Education Activities Conducted by the University](#)

[University Rule 12.01.99.M1, University Statement on Academic Freedom, Responsibility, Tenure, and Promotion](#)

[University Rule 24.01.06.M1, Campus Programs for Minors](#)

[University Rule 31.01.01.M7, Employee Compensation Administration](#)

[University Rule 31.01.08.M1, Merit Salary Increases](#)

[Standard Administrative Procedure 25.07.01.M1.01, President's Delegation of Authority for Contract Administration](#)

[Standard Administrative Procedure 25.99.09.M0.01, Communication Allowances](#)

[Standard Administrative Procedure 31.01.01.M7.01, Retroactive Pay Increases](#)

[Standard Administrative Procedure 31.01.01.M7.06, Temporary Salary Increases](#)

[Standard Administrative Procedure 31.01.99.M0.01, Taxation of Special Payments and Awards to Employees](#)

[Standard Administrative Procedure 41.99.99.M0.01, Building Proctor Position](#)

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## **Contact Office**

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For information or clarification on this Standard Administrative Procedure contact [Human Resources and Organizational Effectiveness, Classification & Compensation](#) at (979) 845-4170 or by email at [hrcomp@tamu.edu](mailto:hrcomp@tamu.edu).

For information regarding Texas A&M Health positions, contact: [Human Resources](#) by email at [hschr@tamu.edu](mailto:hschr@tamu.edu).

For information regarding Research positions, please refer to the [Research Titles and Staffing webpage](#) or contact the Division of Research at (979) 458-4956 or by email at [ResearchStaffing@tamu.edu](mailto:ResearchStaffing@tamu.edu).

For information regarding Texas A&M at Galveston positions, contact: [Human Resources](#) at (409) 740-4532 or by email at [hr@tamug.edu](mailto:hr@tamug.edu).

For information regarding Faculty positions, please contact the Dean of Faculties at (979) 845-4724 or by email at [dof@tamu.edu](mailto:dof@tamu.edu).

For information regarding Graduate Assistant positions, please contact the Graduate and Professional School at (979) 845-3631 or by email at [grad-employment@tamu.edu](mailto:grad-employment@tamu.edu).

**OFFICE OF RESPONSIBILITY:** [Human Resources and Organizational Effectiveness](#)