EduStaff and NMC Partnership
Goals

- Gain Understanding of EduStaff Services
- Gain Understanding of Benefits of Partnership for Employee and Employer
- NMC’s Draft Proposal
- Gather feedback
Why

- Currently supplemental and adjunct employees of NMC are required by the state to enroll in the Michigan Public School Employees Retirement System (MPSERS)

- The college believes that the majority of these groups will not accrue enough service credits to benefit from the MPSERS retirement system

- We would like to investigate a new option with these two employee groups that we think would benefit them and the college
EduStaff

- Third party contractor to assist in providing both hiring and payroll processing services for supplemental and adjunct employees

- Except for the presence or absence of the mandatory state retirement deduction, and who is issuing the paycheck the employee will see very little difference whether contracted with the college or through EduStaff

- Growing number of Michigan Community Colleges are partnering with EduStaff
Employee Benefit of Enrolling with EduStaff

- Current employees retain choice based on individual needs
- Elimination of mandatory MPSERS deduction
  - Allowing for employee to increase net take home pay
  - Average mandatory employee contribution is between 7%-10%
- Access to optional 401(k)
- Access to optional healthcare program
- Ability to access previous mandatory MPSERS contributions
- Retain all current adjunct benefits provided by NMC
College Benefit of a EduStaff Partnership

- Releases significant human resources by providing:
  - Recruiting and publicity for positions
  - Prescreening
  - All required regulatory training
  - Payroll processing
- Savings from elimination of required employer MPSERS contribution
- College retains all hiring decisions
- College decides on pay compensation and sets pay rates
### College’s Payroll Costs Compared to EduStaff

<table>
<thead>
<tr>
<th>Description</th>
<th>College</th>
<th>EduStaff</th>
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</thead>
<tbody>
<tr>
<td>Social Security Tax</td>
<td>7.65%</td>
<td>7.65%</td>
</tr>
<tr>
<td>SUTA Tax</td>
<td>(1.00%)</td>
<td>3.55%</td>
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<tr>
<td>FUTA</td>
<td>(0.00%)</td>
<td>0.60%</td>
</tr>
<tr>
<td>Worker’s Compensation</td>
<td>(0.75%)</td>
<td>0.75%</td>
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<tr>
<td>Liability Insurances</td>
<td>(0.25%)</td>
<td>0.25%</td>
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<tr>
<td>Payroll Processing Hard costs</td>
<td>(0.20%)</td>
<td>0.20%</td>
</tr>
<tr>
<td>MPSERS Employer Funding</td>
<td>25.40%</td>
<td>0.00%</td>
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<tr>
<td>Services</td>
<td></td>
<td>4.00%</td>
</tr>
<tr>
<td>Total Costs</td>
<td>34.6%</td>
<td>17.00%</td>
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Savings based on current NMC costs 17.6%
NMC Proposal

- Current employees in these groups would have a choice based on individual retirement circumstances

- NMC to share the cost savings with the individuals that choose to enroll with EduStaff (8% increase in base pay) examples:
  - Supplemental rate of $10 would increase to $10.80 under EduStaff
  - Top of NMC Adjunct scale is $813; EduStaff rate would be $880
Summary and Next Steps

- Allows for the college to offer an alternative option for these employees that would increase the gross and net pay
- Employees have a choice based on their individual retirement circumstances
- Employees have access to additional benefits
- College reduces its direct and indirect expenses

Next steps
- Discussions with chairs and office managers
- Discussions with employee groups
- Letter to supplemental and adjuncts to invite them to open discussions regarding proposal
- EduStaff to meet with employee groups to review program and benefits
- Board update in April