

## Board and Commission Member Employment Understanding & Decision of Payment/ Waiver

Effective January 1, 2017, the Internal Revenue Service (IRS) issued an advisory opinion indicating that State Board and Commission Members, who receive a stipend or per diem were employees for employment tax purposes. This requires compensation as a temporary employee instead of a contractual employee. Temporary employees with the state are issued W-2 forms and are subject to income tax and social security/Medicare tax withholding, instead of being issued an IRS Form 1099. Meal, travel and other reimbursement for day travel must also be coded in the payroll system for appropriate tax withholding.

### **Temporary/Hourly Employees**

- Do not receive total state service credit.
- Do not earn any kind of leave.
- Do not receive health benefits.
- Do not contribute to the retirement system.
- Do not receive severance pay or priority reemployment consideration.

**\*Note:** All board and commission members, without consideration to compensation must complete a form I-9 -Employment Eligibility Verification.

### **Payment/Waiver**

- I do not wish    I do wish   to receive a stipend for my services.
- I do not wish    I do wish   to receive meal reimbursement (day travel reimbursement will be taxed).
- I do not wish    I do wish   to receive mileage reimbursement (day travel reimbursement will be taxed).
- I do not wish    I do wish   to receive other (parking, toll road, etc.) reimbursement (day travel reimbursement will be taxed).

### **Employee:**

I have read the above information covering temporary/hourly employment with the North Carolina Department of Agriculture & Consumer Services (NCDA&CS). I further understand that my above decision of payment/waiver of compensation will remain in effect unless I terminate it by providing written notice to NCDA&CS. I understand that, if I am re-appointed to the NCDA&CS Board or Commission after a break in service or appointed to a new NCDA&CS Board or Commission, my decision of payment/waiver will remain in effect unless I provide written notice to NCDA&CS.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Board or Commission Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Revised: 8/17

Note: Copies for Division file and HRM Board or Commission Members temporary/hourly employee file