

American Rescue Plan Fiscal Recovery Fund Premium Payment

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1.0 POLICY

The American Rescue Plan Act of 2021 contains provisions under the Coronavirus State and Local Fiscal Recovery Funds (ARP/CLFRF) which allows local governments to provide premium pay to eligible workers who perform essential work during the pandemic.

2.0 PURPOSE

The ARP/CLFRF provides funding to all North Carolina counties and municipalities to address pandemic-related and essential infrastructure needs. One of the eligible expenditure categories of ARP/CLFRF monies is to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay. The Town has designated a portion of the funding received under the ARP/CLFRF towards a one-time premium payment to eligible employees.

Town employees selflessly performed essential work and placed themselves on the front line of the pandemic by responding to calls for service to assist local citizens and visitors experiencing medical emergencies, utility emergencies, environmental and refuse needs, and other crisis situations. In addition, other groups of employees performed essential work processing the daily documentation necessary to support the infrastructure of the Town, such as taking payments from citizens, processing daily receipts, processing payroll and vital COVID leave documentation, and other essential work requiring the regular physical handling of documentation handled by the public or coworkers. For this valuable work, the Town is responding in part by creating this policy on premium payments to eligible employees.

3.0 SCOPE

This policy applies to all eligible workers who performed essential work for the Town.

4.0 DEFINITIONS

- 4.1 Eligible Employee – For the purpose of this policy, an Eligible Employee is an employee who was employed during the period of time the Town of Carolina Beach was under a State of Emergency due to the COVID-19 public health emergency, and who is actively employed on the date premium payment is issued to all employees.
- 4.2 Essential Work – Essential work is defined by the Federal Interim Final Ruling as work that:
 - Is not performed while teleworking from a residence; AND
 - Involves:
 - Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or
 - Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.
- 4.3 State of Emergency – For the purpose of this policy, the Town of Carolina Beach was under a declared State of Emergency from March 20, 2020 to June 8, 2021.

5.0 ORGANIZATIONAL RULES

- 5.1 State law prohibits premium payments to former employees who are no longer employed by the Town, even if the former employee would otherwise qualify for retroactive premium pay according to the eligibility criteria established in this policy.
- 5.2 All premium payments made to employees will be run through the Town's payroll system and treated as wages. Premium payments are subject to employment taxes, retirement, and other such applicable withholdings.
- 5.3 All ARP/CLFRF monies are subject to most provisions of the federal Uniform Guidance (UG) 2 C.F.R 200, including contracting, internal controls, and auditing provisions. With respect to premium pay, this policy is meant to ensure compliance with 2 CFR 200.303.
- 5.4 The Town's premium pay program should target low- and moderate-income employees. For eligible employees whose total wage remuneration is above 150% of the State's average annual wage for all occupations, the Town will provide an additional written justification to the US Treasury on how granting premium pay to these employees responds to eligible workers performing essential work.
- 5.5 The Town will follow the strict record retention practices required of ARP/CLFRF funds and will submit periodic Project and Expenditure Reports. The Executive Project Manager will ensure the Town's compliance with the necessary US Treasury Reporting Requirements for ARP/CLFRF funds.

6.0 PROCEDURES

- 6.1 The Town has identified multiple tiers of employees who performed essential work during the period of time covered by this policy based upon the employee's job tasks and how those job tasks involved regular in-person interaction with patients, the public or coworkers of the employee performing the work or based on the regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of individuals performing the work.

Tier of Essential Worker	Premium Pay Amount
Tier 1	\$1,500
Tier 2	\$1,000
Tier 3	\$300
Tier 4	\$100

An example of a Tier 1 employee is a Full-Time Firefighter/EMT, a Full-Time Police Officer, a Water/Sewer worker, an Environment Services worker, or a Customer Service /Billing Representative

An example of a Tier 2 employee is an Accounting Technician, or an Administrative Assistant

An example of a Tier 3 employee is a Pay Per Call Firefighter or a Part-Time or Reserve Police Officer who responded to calls during the period covered by this policy

An example of a Tier 4 employee is a part-time employee in Parks & Recreation.

- 6.2 The State of Emergency period contains 446 days. Those employees who were hired by the Town during the State of Emergency will be paid pro-rata amounts appropriate for the tier the employee was hired into. The amount to be paid to the employee will be calculated by dividing the tier amount of the position held by the employee by the number of days the employee actually worked in the position.
- 6.3 Any period of time the employee was on an approved leave of absence from the Town, such as Family Medical Leave, will not be counted as eligible time worked under the days covered by this policy.
- 6.4 ARP/CLFRF premium pay funds will be issued to eligible employees on a lump sum basis. Funds will be included on the regular pay date December 16, 2021. Employees on an approved leave of absence from the employer on December 16, 2021, such as on Family Medical Leave or Town Manager's Leave, who would otherwise be eligible for premium pay, are eligible for premium pay under this policy.
- 6.5 The Town Manager, in his sole discretion, will make the final decision with regard to what Tier of premium pay an employee is eligible to receive under this policy. The Town Manager's decision is final and is not eligible for review under the terms of the Employee Compliant Policy.

7.0 APPENDIX, APPENDICES

- None