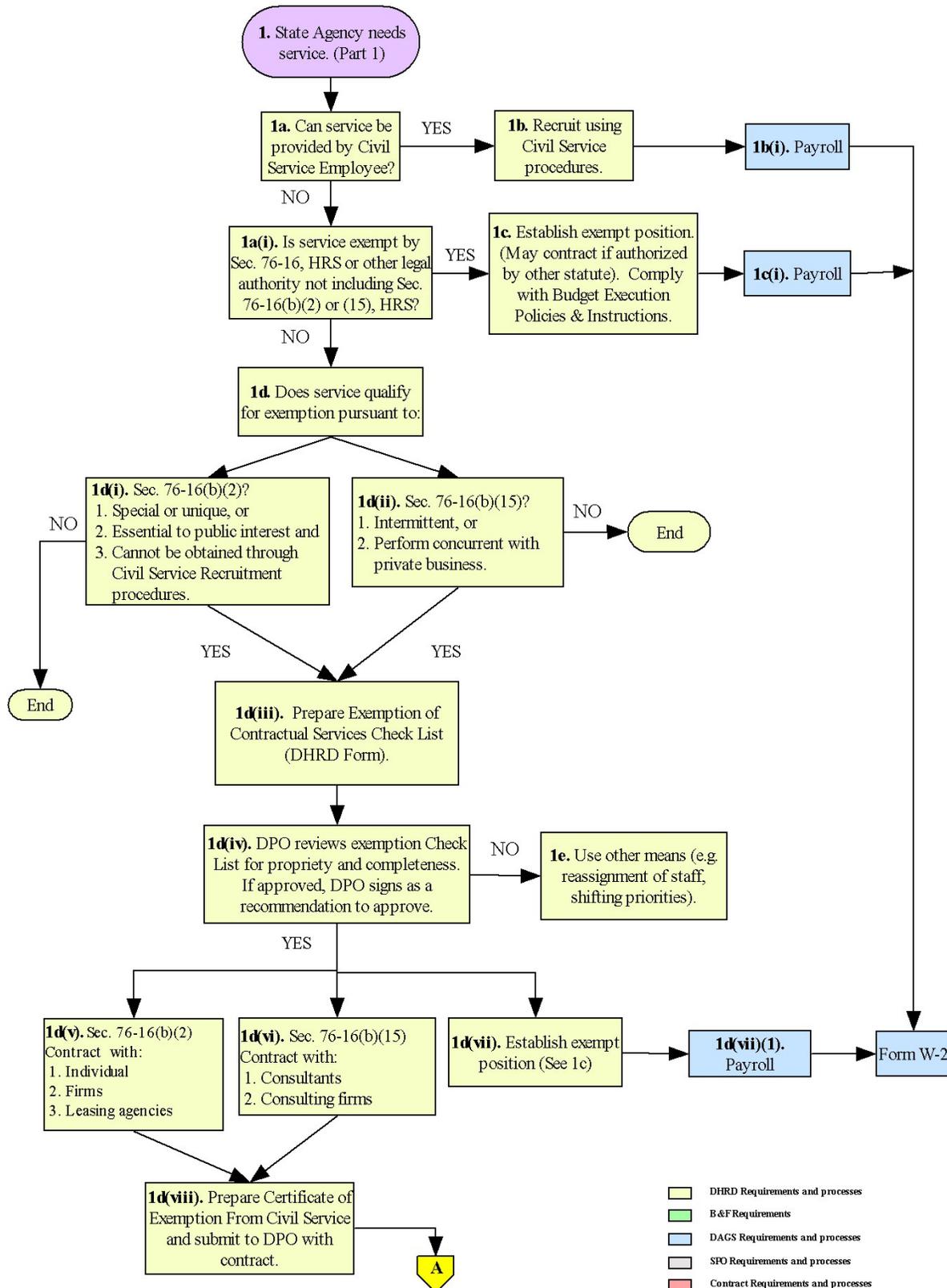
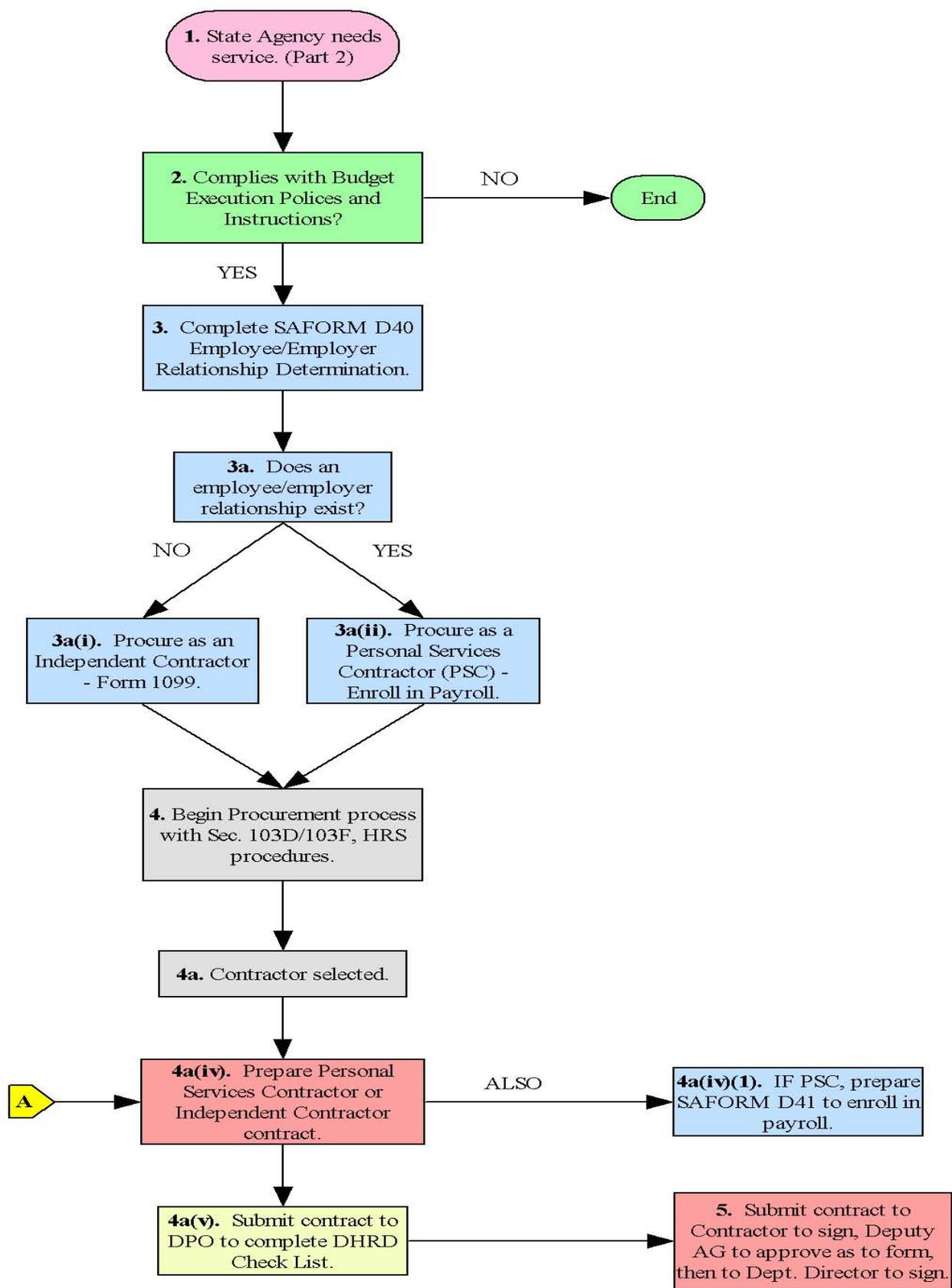


II. FLOWCHARTS

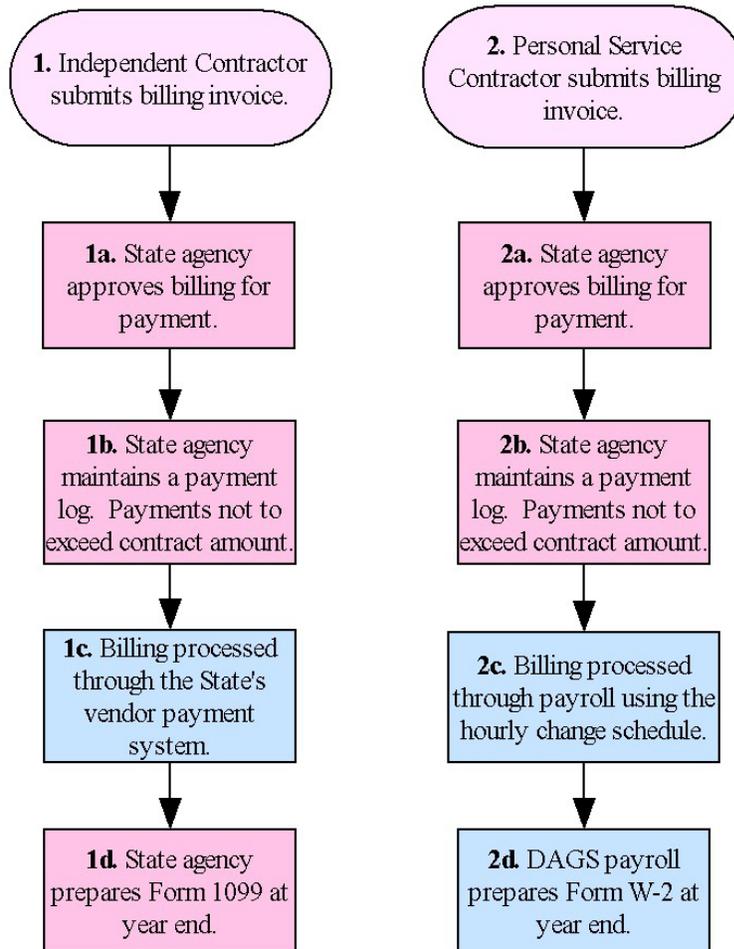
Overview of Approval Process for Contract Services with Individual - Part I



Overview of Approval Process for Contract Services with Individual - Part II



Overview of Approval Process for Contract Services with Individual - Part III



OVERVIEW OF EMPLOYEES VERSUS INDEPENDENT CONTRACTORS

	EMPLOYEES						CONTRACTORS			
	Civil Service			Non-Civil Service			Exempt	Individual		
STATUTE	Initial Probation	Perm. CS	Temp. CS/ Aplt 290 days	Temp. CS/ Aplt < 90 days	TAOL / Aplt > 90 days	TAOL / Aplt < 90 days	Exempt / Aplt > 90 days	Exempt / Aplt < 90 days	Independent	Subject to Chapter 103D / 103F, HRS
PAYMENT PROCESSED										Voucher Payroll
PAYMENT										Form 1099 W-2 Issued
FUND SOURCE										Paid by Funds Not Pegged to Position No.
RIGHT TO CONTROL WORK										NO YES
EMPLOYMENT INSURANCE										NO YES
- Workers' Compensation										NO YES
- TDI (conditions must be met)										NO YES
- Unemployment Insurance										NO YES
PAYROLL WITHHOLDING										NO YES
- Federal and State Withholdings										NO YES
- Social Security (unless PTS qualified)										NO YES (a)
- Medicare										NO YES
BENEFITS *										
- Health coverage										NO NO
- Vacation										NO NO
- Sick Leave										NO NO
- ERS										NO NO
- Deferred Compensation										NO NO (a)

(a) Pending clarification from State Deferred Compensation Plan Board (Does not apply if retiree)
 * Source DHRD document "An Overview of General Employee Benefits & Services According to Type of Appointment"