



What is an independent contractor?

An independent contractor is a person, business, or corporation that provides goods or services to another entity under terms specified in a contract or within a verbal agreement. Unlike an employee, an independent contractor does not work regularly for an employer but works as and when required, during which time she or he may be subject to the employer's legal framework. Independent contractors are usually paid on a freelance basis versus an hourly wage or salary. Contractors may work under the umbrella of another company or through a company they own. (Adapted from Wikipedia)

Why is independent contracting a bad idea for our field?

- You are not eligible for unemployment or workers' compensation benefits if you can't work or lose work.
- You are not covered by minimum wage, overtime or most workplace anti-discrimination laws.
- You are responsible for paying for your own withholding and tax payments.
- You can be audited. Workers who under-report or fail to pay their income taxes can get caught in the enforcement net.³



PO Box 959, Chapel Hill, North Carolina 27514
Institute Director – director@ncicdp.org or 919-244-7243
Certification Office – 919-942-7442 or info@nceec.org

Why is hiring independent contractors (IC) a bad idea for employers?

- **You have less control over your workers.** Unlike employees, whom you can closely supervise and monitor, independent contractors enjoy certain autonomy to decide how best to do the task for which you hired them. If you interfere too much in an IC's work, you risk making the IC look like an employee – for whom the law says you should be paying payroll taxes, workers' compensation insurance premiums, and more.
- **Your workers will come and go.** Many employers use ICs only as needed for relatively short-term projects. This means that workers are constantly coming and going, which can cause major disruptions in a program and a lack of continuity for children and families.
- **Your right to fire an IC depends on your written agreement.** You do not have an unrestricted right to fire an IC, as you might with your employees. Your right to terminate an IC's services is limited by the terms of your written IC agreement. If you fire an IC in violation of the agreement, you could be liable for damages.
- **You may be liable for injuries an IC suffers on the job.** Employees who are injured on the job are usually covered by workers' compensation insurance.
- **You face a risk of government audits.** State and federal agencies – particularly the IRS – want to see as many workers as possible classified as employees, not ICs. The reason is financial: The more workers are classified as employees, the more tax and insurance money flows into government coffers, and the harder it is for workers to underreport or hide their income.⁴

³ <http://www.kansascity.com/2010/04/26/1904876/employee-or-contractor-confusion.html#ixzz0nFaser10>

⁴ <http://www.nolo.com/legal-encyclopedia/article-30053.html>

Making it Meaningful

Early Educator Compensation



PO Box 959, Chapel Hill, North Carolina 27514
Institute Director – director@ncicdp.org or 919-244-7243
Certification Office – info@nceec.org or 919-942-7442

Data from workforce studies conducted at both the county and statewide level indicate that often child care teachers are not paid according to their level of education or responsibility. The Institute recognizes the continuing need for salary supplements that are tied to the attainment of college education and supports the allocation of additional resources to help close the gap for all early childhood teachers.

This brochure has been developed to provide information about what compensation is and isn't and how early care and education programs can design meaningful compensation packages for Early Educators in their employ.



What is compensation?

Compensation is payment to an employee in return for their contribution to the organization, that is, for doing their job. The most common forms of compensation are wages, salaries and tips. Organizations usually associate compensation/pay ranges with job descriptions in the organization. The ranges include the minimum and the maximum amount of money that can be earned per year in that role.¹

Does compensation vary?

Yes. Individuals who work directly with children ages birth to twelve are paid based largely on the setting in which they work. This is unlike other professions that compensate professionals based on their level of professional development and experience. If your salary, role, responsibilities and experience are comparable to a public school teacher you may be paid a salary. If not, your employer should pay you an hourly wage.

Does compensation matter?

Yes. The level of actual earnings or wages directly impacts the rate at which individuals stay or leave (turnover). Salary supplements can drastically reduce turnover rates. Go to www.ncicdp.org to learn more!

Reducing Turnover

Early Educators working in a regulated program and receiving a salary supplement through Child Care WAGES[®] had a turnover rate of only 15% in North Carolina. This is an overall significant improvement compared to the 31% full time teacher turnover rate in our state prior to the implementation of WAGES.

What are benefits?

Benefits are forms of value, other than payment, that are provided to the employee in return for their contribution to the organization, that is, for doing their job. Benefits are company-paid. Unemployment Insurance and worker's compensation are federally required benefits.²

Do benefits replace higher wages?

No. Benefits can complement compensation but they do not replace actual earnings an individual can take home to pay bills, buy groceries and support her/his family.

Sample Benefits

Employer-Supported Insurance

- Health insurance
- Dental insurance
- Long term and short term disability insurance
- Life insurance

Paid Professional Development Time and Tuition Assistance

- Training and/or college classes
- Early Childhood Conferences
- Board or committee meetings during work hours

Paid Time Off

- Paid sick leave
- Paid vacation or annual leave (at least 5 days a year)
- Paid holidays (at least 8 a year)
- Professional development leave
- Family and Medical Leave
- Flexible leave days (funeral, birthday, child involvement)

Job-specific

- Meals – free or reduced
- Paid breaks
- Paid planning time
- Reduced child care costs
- Incentives
 - Paid memberships to professional organizations
 - Acknowledgements (i.e. Teacher of the Month)
 - Staff Retreats

Where do I find a salary schedule?

The Institute has created a set of salary schedules (see below) which are linked to the level of attained education and the level of responsibility of those teaching young children. The schedules also correspond to Certification levels.

These salary schedules are not intended to be limiting, but rather a place to begin. The schedules recognize increased education within all job types. Teachers with degrees are paid significantly more than teachers who do not have them. The rationale for this was to try to provide teachers who have earned degrees with salaries that more closely mirror those in the public schools or other similar professions.

Model Early Educator Salary Schedules

<http://ncicdp.org/compensation/salary-schedule/>

Where degrees are required, longevity is also recognized by a standard increase of 3% for each year of service within each education level. This means that teachers have multiple ways to increase their earnings. Their earnings can increase because they move up to a higher position (for example, from assistant teacher to lead teacher), increase their education (for example, from a credential to a certificate) or stay in the center for another year. In one year, all three conditions could occur.

We recommend that, if changes are made to the salary schedule, they follow some of the logic applied when creating this document.



How can a model salary schedule be used?

Model salary schedules can be used in developing strategies by employees and at the community level. Sample strategies include:

- Create initiatives that support programs implementing salary schedules and rewarding those that accomplish this.
- Include salary schedules as part of the technical assistance given to programs as part of quality improvement projects.
- Move programs toward meeting the Smart Start Performance-Based Incentive System Standards (PBIS) related to compensation and education by implementing a salary schedule.
- Train staff on how salary schedules work and the benefits of achieving equity in salaries.
- Share the tool with board members and/or owners to help them plan for the best use of their salary dollars and support them working in an intentional way toward improvements.
- Advocate for allocating public resources so programs can achieve the suggested salary levels if they are not able to with current resources.

TEACHER / LEAD TEACHER

SAMPLE: N.C. Early Care Education Salary Schedule*

Level	Education of TEACHER/LEAD TEACHER	Starting	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
8	BA or BS ECE/CD/BK (must have at least 15 semester hours of 0-5 focused coursework) or BA or BS non-ECE/CD plus or including at least 24 semester hours related to ECE/CD (must have at least 15 semester hours of 0-5 focused coursework) or MA, MS or M.Ed. non-ECE/CD plus or including at least 18 semester hours related to ECE/CD (must have at least 9 semester hours of 0-5 focused coursework)	\$14.25	\$14.68	\$15.12	\$15.57	\$16.04	\$16.52	\$17.02	\$17.53
7	BA or BS non-ECE/CD plus or including at least 18 semester hours related to ECE/CD (must have at least 9 semester hours of 0-5 focused coursework) or 90 semester hours toward BA or BS in ECE/CD	\$13.00	\$13.39	\$13.79	\$14.21	\$14.63	\$15.07	\$15.52	\$15.99
6	AAS ECE/CD or AAS, AS or AA non-ECE plus or including at least 24 semester hours in ECE/CD or Ph.D. or Ed.D non-ECE/CD or MA, MS or M.Ed. non-ECE/CD or BA or BS non-ECE/CD	\$12.00	\$12.36	\$12.73	\$13.11	\$13.51	\$13.91	\$14.33	\$14.76
5	AAS, AS or AA non-ECE plus or including at least 12 semester hours in ECE/CD or 45 semester hours toward an AAS ECE/CD or 45 semester hours of coursework plus at least 18 semester hours in ECE/CD	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30
4	Early Childhood Diploma or AAS, AS or AA non-ECE/CD or At least 70 semester hours of coursework or 36 semester hours toward an AAS ECE/CD or 36 semester hours of coursework plus at least 12 semester hours in ECE/CD	\$9.50	\$9.79	\$10.08	\$10.38	\$10.69	\$11.01	\$11.34	\$11.68
3	24 semester hours toward an AAS ECE/CD	\$9.25	\$9.53	\$9.81	\$10.11	\$10.41	\$10.72	\$11.04	\$11.38

*For the most current salary schedule, go to <http://ncicdp.org/compensation/salary-schedule/>

¹ http://www.managementhelp.org/pay_ben/cmpnstrn/cmpnstrn.htm
² http://www.managementhelp.org/pay_ben/benefits/benefits.htm