

Employment/Contractor Options

	Employment		Contractor
Model	Salary	Base Plus	Independent Contractor (IC)
Employment Category	Employment/W2	Employment/W2	Contractor/1099
Compensation	Annual salary Frequency: Every two weeks	Base salary plus hourly rate for billable client hours Frequency: Every two weeks	Hourly rate for billable time Frequency: Paid twice per month.
Eligible for Bonus	Eligible for bonus twice per year. A discretionary bonus is paid in June and December. Employees must be with the company a minimum of 6 months to be eligible.	No	No
Benefits - General	Full-time Regular employees are eligible for all Company benefits. A benefits summary is available.	Full-time Regular employees are eligible for all Company benefits. A benefits summary is available.	Benefits are NOT available to ICs
Benefits: Paid Time Off (PTO) & Holidays	4 weeks of PTO, plus 9 paid holidays	Eligible to take 4 weeks of PTO and 9 holidays. Since there are no billable hours on these days employees will receive compensation base salary only when taking PTO or holiday time.	Not Applicable: Per TSA (contract), ICs are paid for billable time only.
Taxes	NHA pays employer taxes and deducts employee portion based on W4 allocation.	NHA pays employer taxes and deducts employee portion based on W4 allocation.	As an independent contractor or someone who is self employed, you are responsible for both the employer and employee taxes (As defined W9).
Tax Assistance	The Company will provide a state income tax preparation allowance at the end of the year equal to: - \$75 for the first out of state filing;	The Company will provide a state income tax preparation allowance at the end of the year equal to: - \$75 for the first out of state filing;	Not Applicable

	- \$50 for each additional out of state filings.	- \$50 for each additional out of state filings.	
Risk vs. Reward	<p>As a salaried employee you receive a consistent, predictable compensation amount each pay period.</p> <p>It is not based on project or billable hours.</p>	<p>As a base plus employee you have the potential to earn higher compensation than the Salary Only option, but there is increased risk.</p> <p>When a consultant is not billable to a client, they receive only their base salary and benefits.</p> <p>This applies to anytime the consultant is not billable, i.e. vacation, professional development, bench time, etc.</p>	An IC has the highest gross earning potential, but is only paid when they are engaged/working.
Billable hours expectations	<p>Client engagements typically expect an average of 40 hours work/billable time per week.</p> <p>Employees receive the same compensation independent of how many hours (billable or non-billable) they work.</p>	<p>Client engagements typically expect an average of 40 hours work/billable time per week.</p> <p>The contract terms will typically identify if we can bill more than 40 hours per week.</p> <p>Consultants are paid an hourly rate for all billable time only.</p>	<p>Client engagements typically expect an average of 40 hours work/billable time per week.</p> <p>The Work Order terms will typically identify if a consultant can bill more than 40 hours per week.</p> <p>Consultants are paid for all billable time.</p>
Able to accept projects independently or through other companies	No Exclusivity with NHA as outlined in the employment agreement.	No Exclusivity with NHA as outlined in the employment agreement.	<p>There is no exclusivity requirement.</p> <p>Yes, provided they do not interfere with your contract commitments.</p> <p>There is a non-solicitation and non-recruit requirement.</p>
Professional Development	Compensated at the same level. No change.	Compensated at the base salary level. Professional development is not billable.	No compensation.
Travel	Travel expenses are reimbursed as incurred. Expense reports are submitted	Same	Same

	<p>weekly and payment is made twice per month.</p> <p>Consultants are responsible for making their own travel arrangements.</p> <p>Travel time is not billable unless productive client work is being done.</p>		
Expenses	<p>Travel expenses are reimbursed twice per month, assuming timely submission.</p> <p>Most clients reimburse for actual expenses. Consultants will be made aware of any exceptions before starting a project.</p>	Same	Same
Project Selection	<p>NHA will identify projects based on a number of factors including: availability, client needs and the consultant's ability to be successful, client contract requirements, opportunities to build the consultant's skills, travel requirements, and consultant's preferences. We do our best to balance these to satisfy the needs of the consultant and client.</p>	Same	<p>As an IC, consultants have the most flexibility. They are able to determine independently, based on the projects available to them, which to pursue and which to pass on. Communicating your priorities and requirements to NHA will help us to work efficiently together.</p>
Changing Compensation Plans	<p>NHA has permitted this on a very limited basis with prior approval from the consultant's Manager and Vice President.</p>	<p>Same</p> <p>Please Note: Base plus employees accept the risk associated with potential bench time. Going to the bench is not considered a reason to change compensation plans.</p>	