

# Advantages of Employment



- *Employment and Contracts must be approved by the proper parties (including UW Madison Business Services or Human Resources) **before** any work begins or any services are provided.*

It is helpful to be aware of certain advantages of employment when assessing whether employment or contracting is most appropriate. Consult with your local Human Resources staff regarding making a determination, and for assistance with next steps. As some situations can be complex, The Office of Human Resources (OHR) Compensation and Titling team assists local human resources staff in making formal determinations, often with assistance from the Office of Legal Affairs.

## **Advantages of employment, to UW-Madison:**

- an employee might be able to be hired directly without having to conduct an open recruitment if a waiver reason applies (for example, “2 Years or Less”, “25% or less”)
- an employee if properly structured and in the correct position, can formally supervise and manage UW employees/staff (discipline, performance evaluations, etc.).
- an employee can be an integral part of the business operation, on an ongoing/continuing basis
- an employee can be trained in-house by UW employees on policies, procedures and/or processes
- an employee can be required to meet expectations about hours of work and expectations for work
- an employee can be provided instructions on how to do the work and required to follow specific instructions regarding how the work will be done
- hiring an employee removes the worry about IRS audits, or fines related to contracting
- as part of the hiring procedure, employment background checks are performed

## **Advantages of employment, to the Individual:**

- an employee does not have financial risks of working under a contract and potentially incurring a loss on the work
- an employee’s eligible business and travel expenses can be paid by UW
- an employee has payroll taxes deducted through payroll; a contractor has to pay self-employment taxes as required by the IRS
- an employee has access to and use of UW-Madison facilities and property, data, systems, equipment/tools, supplies, machinery, vehicles, etc as deemed appropriate at no cost
- workers compensation is available for employees in case of injury on the job; an employee does not have to purchase business insurance in order to work at UW
- an employee can be eligible for benefits if they meet eligibility requirements

## Resources:

RSP External Services Guidance website: <https://www.rsp.wisc.edu/SAGuidance>

HR Policy 2.03 – Employment and Independent Contracting

- <https://kb.wisc.edu/ohr/policies/page.php?id=52772>

