University of Nebraska Procedure
NSRI Classified Research Pay.

University of Nebraska system employees conducting classified research for an assigned task order or project for the National Strategic Research Institute (NSRI) must be paid directly by NSRI (NSRI Classified Research Pay).

NSRI Classified Research Pay is limited to system employees, principal investigators, co-principal investigators, faculty, staff, graduate students, and other employees on any campus or at central administration of the University of Nebraska (University Employees), who hold a security clearance issued by the Defense Security Services in connection with a classified task or a work effort for NSRI.

All other University employees performing unclassified tasks or work efforts for NSRI are excluded from this NSRI Classified Research Pay procedure, and are paid through SAP.

In accordance with Regents Policy 2.7.4:
- University employees that need to reduce their full time equivalency with the University will be compensated for their benefits by NSRI; and
- NSRI Classified Research Pay is regarded as contract research and is not considered as outside consulting under Regents Policy 3.4.5.

1) **NSRI Assignments of 0.20 FTE or less – University Employees in a state line funded position (this is the preferred NSRI Classified Research Pay procedure).**

University employees who have a regular full-time appointment (also called state line funding or hard funding) will maintain a full-time FTE with their campus and provide no more than an additional .20 FTE towards classified work for the NSRI. NSRI classified work may be on one or more projects but will not exceed 0.20 FTE (i.e. approximately 35 hours per month). For “9 over 12” faculty, the .20 FTE restriction does not apply for summer months.

Employees will continue to receive their University benefits from their campus appointment. Employees will receive a separate W-2 for their Classified Research Pay and will be advised on proper payroll withholding to avoid unintended income tax effects of the separate NSRI payroll.

2) **NSRI Assignments greater than 0.20 FTE - University Employees in a state line funded position where the amount of time expected on the project must exceed .20.** Employees who are not able to maintain a full-time FTE with their campus while providing services for classified work at NSRI must have their FTE adjusted in accordance with the amount of effort expected to be performed by the employee. In order to maintain benefits at the university, the combined NSRI and University FTE must not be less than 0.50 FTE.

NSRI will reimburse the University a proportionate amount for the employer share of certain benefits calculated on an individual basis including health and dental insurance, and employer life insurance the employee is enrolled in at the campus. NSRI will contribute the employer's matching share of retirement if the employee is enrolled in the
NSRI retirement program, which replaces a reduction in the University’s retirement plan. If a University employee is paid “9 over 12”, unless otherwise arranged as part of the joint appointment with NSRI, the University employee will be paid a full hourly rate (grossed up for 9 over 12) for NSRI work as completed. Budget adjustments will not be made to provide funds from NSRI to pay a University employee 9 over 12 pay during the summer months.

3) **NSRI and University employees in a grant or other temporary-funded position with a combined FTE of less than .50 FTE.** Employees funded below 50% FTE will not receive benefits (health, retirement, etc.) from the university or NSRI. University employees entering into a classified research appointment with NSRI should consider the loss of any current University benefits they may have prior entering into an agreement to do classified work for NSRI.

4) **NSRI employees, with only an NSRI appointment.** NSRI employees working only for NSRI will be eligible for NSRI retirement and other University offered benefits including health insurance if their appointment is .50 FTE or greater.

5) **NSRI Classified Researchers.** Classified researchers will be paid by the hour for the number of hours worked during the pay period. Researchers must keep a time sheet of the hours worked each day during the pay period which must be signed by the principal investigator.

The following coordinating instructions are important in implementing the NSRI Classified Research Pay procedure:

**Budget Preparation.** When preparing a budget for classified work at NSRI, it is important to determine the University employee’s status and what effect classified work will have on the employee’s Full Time Equivalency (FTE) at their campus. For example, a person who formerly worked part time prior to beginning the classified work effort will be compensated for this work, but will not be provided additional funds for fringe benefits unless their FTE is reduced due to their NSRI appointment.

**Coordination.** Careful prior coordination between the PI, NSRI and the campus is required to ensure that task orders are not overspent. A budget at the beginning of a project reflecting a breakdown of costs at each campus, NSRI and direct payments should be agreed upon prior to the performance of the effort.