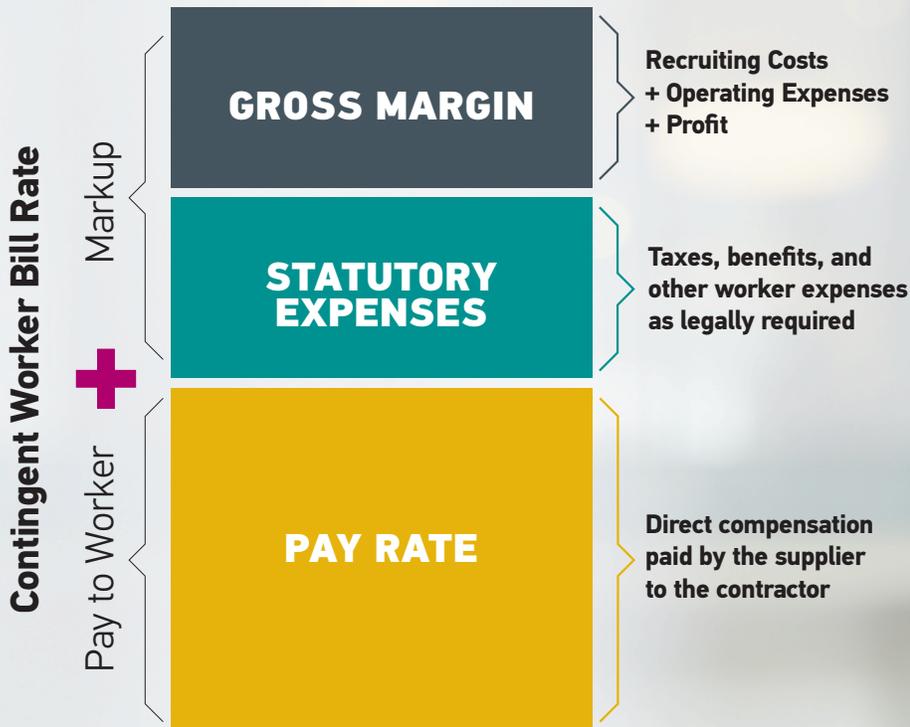


What's in the Contingent Worker Bill Rate?



Important

- CW bill rate must include all costs
- Requires transparency on required vs. optional and pass through costs
- Is the client getting the minimum value they want or paying for more than they need
- Company comparisons are of limited value due to service level and job variations from company to company

**Total CW Bill Rate =
CW Bill Rate + Pass Through Expenses**

(may include travel, meals, dues, screening, and hiring fees)

Produced by SIAAG
(Staffing Industry Analysts Advisory Group)

**STAFFING
INDUSTRY
ANALYSTS**

Is the Contingent Worker Price Right?

Component	Answers Needed to Determine if the CW Price is Right
<p>Minimum Worker Pay legally required direct compensation paid by the agency to the contractor</p>	<p>Does this comply with minimum wage laws including overtime? Where applicable does this comply with pay parity which requires paying contractors at least the same as comparable employees (a requirement in some regions)? Where applicable does this comply with appropriate work council or union agreements? Does this comply with required rate computation legislation which dictates how, when , and why workers are to be paid as well as premiums based on assignment and worker demographics?</p>
<p>Worker Pay Premium direct compensation paid by the agency to the contractor above what is legally required but market appropriate.</p>	<p>Is the client getting appropriate visibility into the relevant talent market? Is the client getting the desired level of quality candidates in the timeframe needed? Is the client getting the desired candidates to accept and stay on assignment? Is the client getting contractors that provide the desired level of work quality while on assignment? Is the client getting retention of the contractors at the desired level? Is the client paying for experience needed for the assignment rather than the experience the worker brings (prevents overbuying)? Is there a tight band (minimal variability) between workers doing the exact same role, either FTE or CW? Has impact and potential variability been considered based on assignment location length and stability, work schedule and environment, client reputation, possibility to convert to employment, relative pay and benefit of contractors vs employees if conversions occur, and need for scarce skill sets?</p>
<p>Taxes & Benefits may include national /local taxes, healthcare, bonus, holidays, vacation, sick time, maternity</p>	<p>Is the client intentionally choosing to pay for "optional" benefits and are they being taken advantage of? Are effective rates used or discounts provided that take into account minimum and maximum thresholds (earnings, tenure, occupation) that result in effective rates lower than the advertised rate? Do rates comply with legislation? The applicability of VAT, services taxes, withholding taxes, etc. will vary based on the delivery model from the supplier (e.g. if they have local presence in a country, if there are regional treaties like in Europe on VAT, and other factors).</p>
<p>Agency Markup includes recruiting costs, overhead, and profit</p>	<p>Is the agency willing to submit desired level of quality candidates in the timeframe needed? (increasing the probability of getting a placement can lower markups or insure supply) If contractors are on longer assignments, is the markup reduced part way through the assignment to reflect that recruitment costs have been recouped (tenure discount)? If volume is high, is a discount available? If payment is provided sooner, is there a discount? Is agency markup reduced or eliminated on overtime premiums? Is the agency markup reduced if the client sources the chosen candidate? Is markup in alignment with companies program market strategy? Does program incur MSP or VMS supplier fees that may negatively effect supplier margin?</p>
<p>Pass Through Expenses examples include travel, meals, dues, screening, and hiring fees</p>	<p>Does the client understand which expenses must be reimbursed to be compliant, to be competitive, and which are nice to have? Does the client audit suppliers to monitor compliance with any existing contractor expense policy?</p>