



FREQUENTLY ASKED QUESTIONS

WHAT IS SHIFTPIXY?

ShiftPixy is a disruptive human capital management (HCM) services provider that has revolutionized the Gig Economy concept by delivering a next-gen platform for workforce management that helps shift-based employers navigate regulatory mandates, alleviates administrative burdens and connects them with qualified shift workers.

HOW IS SHIFTPIXY DIFFERENT FROM A STAFFING AGENCY OR THIRD PARTY EOR?

Unlike a traditional staffing agency or third party employer of record (EOR), ShiftPixy brings together staffing administrative services, payroll, insurance services, and human resources management (HRM) as well as a Software as a Service (SaaS) based workforce management application together in a single ecosystem and pairs it with comprehensive, expert support for addressing regulatory compliance including the ACA.

WHAT DOES SHIFTPIXY DO THAT'S NEW?

ShiftPixy addresses key challenges for businesses utilizing a contingent workforce by managing compliance – including ACA, workers' compensation and insurance filings – thereby alleviating labor costs and providing access to capable shift-workers to fill spots, and giving shift workers an opportunity to earn more and gain access to benefits by securing work from multiple employers.

HOW DOES SHIFTPIXY ADDRESS NEW MANDATES INACTED BY THE AFFORDABLE CARE ACT (ACA)?

According to the Society of Human Resource Management, 14 percent of employers have reduced work hours for employees due to new regulations in the Affordable Care Act (ACA). This creates a dichotomy between employers, who need more part-time shift workers at fewer hours, and workers, who need more shifts to maintain income. ShiftPixy provides a solution for businesses struggling with the ACA mandates, delivering high-value for both employers and part-time workers.

HOW DOES SHIFTPIXY SUPPORT THE GROWING GIG ECONOMY?

Scrutiny continues to grow over whether Gig Economy companies are acting fairly when it comes to providing worker benefits. ShiftPixy adds a needed layer to address compliance with the ACA and other regulations and addresses demands for equitable employment practices.

HOW PREVALENT IS THE GIG ECONOMY?

The contingent workforce – those categorized as independent contractors – accounts for 36 percent of U.S. workers and that figure is expected to reach 43 percent by 2020, according to research by QuickBooks. Furthermore, there are 26 million part-time workers in the United States including six million involuntary part-time workers – those who would like to work full-time but are unable to secure additional hours. In 2015, Millennials became the largest demographic age group in the workforce and 80 percent use social media as a means of finding work.

IS THERE LEGISLATION REFORM IN PROCESS TO ADDRESS THE GIG ECONOMY?

Several government leaders have questioned the fairness of the Gig Economy, asserting that companies that utilize a contingent workforce are able to skirt around providing benefits by building their workforce from independent contracts. Senator Elizabeth Warren purports that making employee benefits portable is one key way to provide benefits for workers. Because ShiftPixy serves as the employer to its workforce, they are employees – not contractors – and are eligible for health coverage, unemployment and other benefits.

WHAT WORKFORCE MANAGEMENT FUNCTIONS DOES SHIFTPIXY SUPPORT?

ShiftPixy brings forth a human capital management (HCM) ecosystem that includes staffing administrative services, payroll, insurance services, human resources management and Software as a Service (SaaS) based workforce management application that manages more than 50 aspects of the job provider's HCM.

HOW DOES SHIFTPIXY HELP OPERATORS?

ShiftPixy relieves administrative burdens for business operators by providing a single solution to fill staffing gaps immediately while equitably and efficiently navigating costly administrative requirements such as paid time off (PTO) laws, insurance and workers' compensation, minimum wage increases, and the ACA. Because ShiftPixy serves as the employer – providing the relevant benefits, insurance, and healthcare correlated to the number of hours worked – operators are freed up from navigating compliance regulations and the associated expenses and able to focus on delivering on quality products and services.

HOW DOES SHIFTPIXY SUPPORT WORKERS or "SHIFTPIXY SHIFTERS?"

For shift workers (called ShiftPixy Shifters), ShiftPixy expands earning potential enabling them to secure work from multiple operators via a mobile app, in order to supplement part-time hours or reach full time hours to earn eligibility for employment and health benefits.

CAN A SHIFTER WORK MORE THAN 40 HOURS FROM MULTIPLE?

Yes. Any Shifter that works more than eight hours per day or 40 hours per week moves to higher, overtime rates. However, job providers may choose not to hire higher workers in this category if an equally qualified, lower rate Shifter is available instead.

WHAT IF A SHIFTER CONSISTENTLY WORKS THE REQUIRED HOURS TO EARN BENEFITS, BUT THEN DROPS BELOW THE MINIMUM?

Shifters must maintain full time equivalence to secure benefits eligibility. However, if a life change occurs and hours fall short of that requirement, ShiftPixy provides a means for them to keep their benefits in force for a small monthly fee.

HOW DOES THE SHIFTPIXY APP WORK?

The ShiftPixy app syncs available work opportunities posted by ShiftPixy Operators with the real-time availability of geographically relevant ShiftPixy Shifters, offering access to thousands of mobilized, contingent shift-workers in their local market.

HOW DO SHIFT WORKERS GET CONNECTED TO SHIFTPIXY?

Shift workers (called ShiftPixy Shifters) use the app to enroll, build a profile and prequalify for certain jobs based on past work and training experience. As they are hired for shifts through ShiftPixy, Shifters can earn recommendations and skills validation from operators to boost their profile score and gain access to more shift opportunities.

WHAT IS THE SHIFTPIXY BUSINESS MODEL?

ShiftPixy Operators pay a monthly subscription fee to gain access to the full ShiftPixy suite of solutions. There is no cost to ShiftPixy Shifters who join as current workers of ShiftPixy Operators. ShiftPixy Shifters who join independently pay a small monthly user fee to gain access to the shift opportunities.

WHY IS SHIFTPIXY A GOOD FIT FOR THE RESTAURANT AND HOSPITALITY INDUSTRY?

Profit margins in the restaurant and hospitality industries are slim (averaging less than 3 percent according to National Restaurant Association), requiring these businesses to operate with absolute efficiency. Reducing full-time employees is a means to stay in business; however, few employees are seeking part-time hours, limiting available workforce. Employee turnover in the restaurant industry is disproportionately high – 66 percent according to the National Restaurant Association – driven largely by a need to seek positions that can offer higher hours.

ShiftPixy addresses each of these challenges by managing compliance – including ACA, workers' compensation and insurance filings, thereby alleviating labor costs and

providing access to capable shift-workers to fill positions, and giving shift workers an opportunity to earn more.

WHAT REGIONS AND INDUSTRIES IS SHIFTPIXY FOCUSED ON AND DOES IT HAVE PLANS TO EXPAND?

ShiftPixy is currently focused on Southern California and San Francisco operators and workers in the restaurant and hospitality industries. Expansion is planned for other metropolitan markets with high population of shift workers such as New York, Denver, Orlando, Boston, Chicago and Dallas. ShiftPixy plans to expand its vertical offerings and bring its leading-edge human resources management ecosystem to the transportation, services and healthcare industries.