

POL 05.60.03  
University Employment Bonus Programs

**Authority:** Chancellor

**History:** First Issued: July 1, 2024

**Related Policies:**

- [POL 05.60.01 - EHRA Faculty and Non-Faculty Recruitment and Selection Policy](#)
- [REG 05.60.00 - University Employment Bonus Program Regulation](#)
- UNC Policy Manual 300.2.14.2[R] [Regulation on Delegated Authorities Regarding Non-Base Salary Compensation for University Employees Exempt from the State Human Resources Act](#)
- UNC Policy Manual 300.2.21[R] [Regulation on Campus Law Enforcement Officers Exempt from the Provisions of the State Human Resources Act](#)

**Additional References:**

- N.C. Office of State Human Resources [Sign-On and Retention Bonus Policy](#)
- N.C. Office of State Human Resources [Employee Referral Bonus Pilot Program Policy](#)

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## 1. PURPOSE

1.1 To provide greater flexibility in the university's efforts to attract, retain and reward a talented workforce, this policy outlines the parameters for eligibility and approval for awarding a bonus to permanent (benefits-eligible) employees pursuant to UNC Policy Manual 300.2.14.2[R] and N.C. Office of State Human Resources' Sign-On and Retention Bonus Policy.

1.2 The university's employment bonus programs regulation provides detailed guidance regarding the process and procedures for awarding a Sign-On, Retention, and Referral bonuses. The university's bonus program provides compensation to permanent (benefits-eligible) employees of the university. Any such bonus will be paid only in accordance with the provisions of this policy. No candidate nor employee, who may be eligible for bonus compensation, is automatically entitled.

## 2. SCOPE OF APPLICABILITY

2.1 This policy applies to eligible permanent (benefits-eligible) EHRA and SHRA employees, with exception of the Chancellor, the Athletic Director and any Head Coach, who occupy a position subject to separate policies. Only candidates for or employees in permanent [SHRA and EHRA] positions are eligible for bonuses under this policy. The university will not award any bonus under this policy to an employee who has received or issued personnel actions as follows:

2.1.1 notice of discontinuation of an appointment

2.1.2 did not receive an overall rating of at least “meets expectations” on their most recent annual performance appraisal, or deemed not in “good standing”:

2.1.3 active performance improvement plan or active disciplinary action

2.1.4 no longer actively employed in their current position

2.2 Within the parameters outlined below, the university’s employment bonus program provides an incentive opportunity to recruit and retain faculty and staff of the highest quality. All decisions regarding any bonus compensation must be consistent, based on relevant and appropriate factors and shall not be based on an individual’s protected status in accordance with the university’s EEO plan, and shall comply with all federal and state equal opportunity and anti-discrimination laws and policies.

2.3 Bonuses may be funded from any source, including state or non-state appropriations, so long as the funding source permits expenditures for this purpose in accordance with the North Carolina Office of State Budget and Management.

2.4 All bonus programs are subject to funding availability. There is no guarantee that funds will be available for this purpose in any given fiscal year.

2.5 All bonuses require final approval by the Chancellor with the exception of any employee who occupies a Senior Academic and Administrative Officer (SAAO) position. All bonuses awarded to a SAAO will require approval by the university’s Board of Trustees.

### **3. BACKGROUND**

3.1 The [UNC Policy 300.2.14.2 \[R\] Regulation on Delegated Authorities Regarding Non-Base Salary Compensation for University Employees Exempt from the State Human Resources Act \(EHRA\)](#) permits the university, as an employer, to provide bonus compensation to attract, retain, and reward a talented workforce in the form of bonus based programs including sign-on and performance.

3.2 The N.C. Office of State Human Resources [Sign-On and Retention Bonus Policy](#) permits the university, as an employer, to provide sign on and retention bonuses to employees subject to the State Human Resources Act (SHRA) to attract, retain, and reward a talented workforce.

3.3 OSHR’s employee referral bonus pilot program policy provides an incentive to current state employees [SHRA] that refer potential applicants, who are subsequently selected and hired for critical positions that have been determined by OSHR to be in high demand and hard to fill. At this time, the [UNC Policy 300.2.21 Regulation](#) on Campus Law Enforcement Officers exempt from the provisions of the state human resources act permits the university, as an employer, to provide an employee referral bonus to current permanent (benefits-eligible) SHRA employees who refer applicants to vacant law enforcement officer positions with the university, who are subsequently hired by the university.

## 4. EMPLOYMENT BONUS PROGRAMS

4.1 The **Sign-On Bonus** [SHRA and EHRA] is a discretionary bonus that serves as a recruitment incentive based on competition in the labor market, a demonstrated risk of losing a potential employee, and/or heightened risk for loss of critical talent in a particular potential employee or group of positions. This bonus can also be used in lieu of a negotiated form(s) of non-salary compensation, such as moving allowance for EHRA positions. The bonus structure will be based on the level of difficulty to recruit a specific classification and/or position. The level of difficulty to recruit shall be determined based on the department's justification which may include institutional comparators such as: number of times a position has been advertised, measurables in the labor market, amount of and reach of advertising efforts, etc. The Office of Human Resources will assist with providing data regarding labor market information. If the classification/position only requires education and/or experience frequently found in the majority of job seekers, the position would be discouraged from being included in as eligible to receive these bonuses.

4.2 The **Retention Bonus** [SHRA and EHRA] is a discretionary bonus that may be granted based on demonstrated risks of losing an employee in the absence of a retention incentive. Retention bonuses may be offered as an incentive to a group of employees in critical positions, to an employee in similar, critical positions where a sign-on bonus is awarded, or to retain an individual employee critical to the university's mission. The retention bonus must be based upon documented need where the labor market shortages impact the university's business needs and the university's ability to deliver essential services.

4.3 The **Referral Bonus** [SHRA] is a pilot program only available to certain eligible classifications *initially* to include law enforcement officers at the university designated as hard to fill positions within the university of North Carolina system. Effective February 15, 2023, the N.C. Office of State Human Resources (OSHR) established the pilot program for employee referral bonus compensation. At this time, this employee referral bonus program is only awarded to new hires in a sworn law enforcement officer position. EHRA employees are not eligible to receive a referral bonus.

## 5. APPROVALS

5.1 The university Board of Trustees delegated authority to approve bonuses under this policy to the Chancellor, with the exception of SAAO, on April 12, 2024. Upon approval of an employee bonus request, the employee will be notified in writing with information regarding eligibility for the bonus, method of payment, and criteria for repayment if the bonus provisions are not fulfilled.