

REG. 05.60.00
University Employment Bonus Programs

Authority: Chancellor

History:

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Related Policies:

- [POL 05.60.03 - University Employment Bonus Programs](#)
- [POL 05.60.01 - EHRA Faculty and Non-Faculty Recruitment and Selection Policy](#)

Additional References:

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

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1. PURPOSE

1.1 This regulation sets forth the procedures to request and obtain approvals for an employee bonus in accordance with the university's [POL 05.60.03 - University Employment Bonus Programs](#). This regulation outlines the parameters for eligibility and approval for awarding the following employment bonus programs, in addition to detailed guidance for the process and procedures.

1.1.1 Sign-On Bonus

1.1.2 Retention Bonus

1.1.3 Referral Bonus

2. SCOPE OF APPLICABILITY

2.1 This regulation 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 including the UNC policy [The Code regulation section 1100.3](#).

2.2 Within the parameters outlined in the regulation, the employment bonus program provides an incentive opportunity to recruit and retain faculty and staff of the highest possible 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. No candidate nor employee who may be eligible for bonus compensation is automatically entitled. All bonuses must be reviewed prior to implementation by the Assistant Vice Chancellor for Human Resources and final approval of the Chancellor is required before a bonus is awarded. Employees and applicants are not required to accept a bonus and the bonus is not a condition of employment.

3. BONUS PROGRAMS

3.1 Sign-On Bonus [SHRA and EHRA]

3.1.1 Sign-On bonus is discretionary and intended to serve as a recruitment incentive. A sign-on bonus should be requested and approved prior to advertising a vacant position. [NOTE: The following statement must be included in the job posting, "To be eligible for a sign-on bonus, the candidate must not have worked as a probationary, permanent, or time-limited employee in the last twelve (12) months as an employee in North Carolina state government subject to the State Human Resources Act".] The sign-on 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, critical positions that have labor market shortages or measurables in the labor market, amount of, and reach of, advertising efforts, etc. If the position [classification] 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 this bonus.

3.1.2 Note: SHRA candidates for probationary, permanent, or time-limited positions may be eligible for sign-on or retention bonuses, and the candidate must not have worked as a probationary, permanent, or time-limited employee in the last twelve (12) months as an employee in North Carolina state government subject to the State Human Resources Act.

3.1.3 A sign-on bonus must be based on at least one of the following specific, demonstrated recruitment needs:

3.1.3.1 For a Specific Job Classification: To enhance the ability to recruit qualified candidates during labor market shortages, a division may recommend offering a sign-on bonus to candidates hired into positions for a specific job classification within the University or division. To qualify, the division must demonstrate that the job classification is critical to the University's mission, there is a labor market shortage, and the inability to hire qualified candidates would impair delivery of essential services. Requests for a specific job classification requires prior coordination and approval from the Assistant Vice Chancellor for Human Resources and final approval of the Chancellor.

3.1.3.2 For an Individual Position: A division may request to offer a sign-on bonus for an individual position if the division can demonstrate that the position is critical to the University's mission, the labor market is particularly competitive for the skillset and experience required for that position, and the University's inability to recruit and hire a qualified candidate would negatively affect the delivery of essential services. This option is typically reserved for instances where the position is the sole individual, or one of two individuals, fulfilling a role at the University.

3.1.4 The following considerations should be determined when recommending a sign-on bonus:

3.1.4.1 Justification for a particular type of position based on competition for talent within the labor market

3.1.4.2 Based on a demonstrated risk of losing the employee to an outside entity external to the University – this includes conditions in the labor market that demonstrate a heightened risk for loss of critical talent in a particular position, or group of positions, that would negatively impact University operations

3.1.4.3 In lieu of a moving allowance, if a moving allowance is not otherwise provided separately

3.1.5 SHRA Bonus Structure and Bonus Request Approval Process

3.1.5.1 Once the level of difficulty to recruit as referenced in section 3.1.1. has been determined by the office of human resources, the following structure shall be followed:

3.1.5.1 Minimal difficulty to recruit classifications may receive up to five percent (5%) of the base salary of the position

3.1.5.2 Moderate difficulty to recruit classifications may receive up to seven percent (7%) of the base salary of the position

3.1.5.3 Extreme difficulty to recruit classifications may receive up to ten percent (10%) of the base salary of the position.

3.1.5.4 A bonus request of more than ten percent (10%) will require additional approval from UNC System Office (>10%-15%) and/or Office of State Human Resources (>15%) in accordance with applicable policy issued by the relevant entity.

3.1.6 Requirements and Limitations:

3.1.6.1 To be eligible for a sign-on bonus, the candidate must not have worked for the University as a permanent [benefits-eligible] employee in the last twelve (12) months and the position must require that the employee works at least twenty (20) hours per week.

3.1.6.2 Any EHRA sign-on bonus that exceeds \$5,000 will be paid in at least two (2) installments. Any SHRA sign-on bonus that exceeds \$2,500 must be paid in at least two (2) installments by [State policy](#).

3.1.6.3 Any EHRA sign-on bonus may not exceed the lesser of \$25,000 or twenty (20) percent of the annualized base salary of the position without seeking the approval of the UNC System president. Any SHRA sign-on bonus that exceeds ten (10) percent of market reference rate requires UNC System approval (up to 15%) or OSHR approval (above 15%).

3.1.6.4 An employee may receive either one (1) sign-on bonus or one (1) retention bonus, but not both, within any twenty-four (24) month period.

3.2 Retention Bonus [SHRA and EHRA]

3.2.1 Retention bonuses are discretionary and 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 in 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.

3.2.1.1 An employee may be eligible for a retention bonus if the following conditions are met:

3.2.1.1.1 The employee has not received in the last twenty-four (24) months any retention or sign-on bonuses that total more than \$2,500 from any university or state agency for the job classification in which the employee currently occupies. The limit counts all bonuses awarded over a twenty-four (24) month period as of the bonus award date, and counts these as if all installments are complete.

3.2.1.2 The employee's overall performance evaluation rating is at least "Meets Expectations," [in good standing] and the employee does not have an active disciplinary action. Employees eligible for a retention bonus must work at least twenty (20) hours per week.

3.2.1.3 When it has been determined and justified that a position for a specific occupational classification is critical based on competition for talent within the labor market; based on a demonstrated risk of losing an employee or specific class of employees to an outside entity external to the University – this includes conditions in the labor market that demonstrate a heightened risk for loss of critical talent in a particular position, or group of positions, that would negatively impact University operations.

3.2.2 For example, retention bonuses may be offered as a retention incentive as follows:

3.2.2.1 To retain a group of employees in critical positions that have labor market shortages impacting the business needs of the agency and impairing the delivery of essential services.

3.2.2.2 To retain an employee when the university has offered a sign-on bonus as a recruitment incentive to an individual in a similar, critical position that has labor market shortages which affect the university's business needs and impair the delivery of essential services.

3.2.2.3 To retain an employee critical to the university's mission.

3.2.3 Requirements and Limitations

3.2.3.1 To be eligible for a retention bonus, an employee must work at least twenty (20) hours per week. Bonuses for eligible employees working in part-time positions will be prorated based on hours worked.

3.2.3.1.1 Retention bonuses may not be awarded in an across-the-board manner to broad classes of employees unless the bonus is awarded in conjunction with sign-on bonuses based on critical labor market needs for a specific job classification.

3.2.3.1.2 Any EHRA retention bonus that exceeds \$5,000 will be paid in at least two (2) installments. Any SHRA retention bonus that exceeds \$2,500 must be paid in at least two (2) installments consistent with [State Human Resources Manual, Sign-On and Retention Bonus Policy](#).

3.2.3.1.3 Any EHRA retention bonus may not exceed the lesser of \$25,000 or twenty (20) percent of the employee's current base salary without seeking the approval of the UNC System President. Any SHRA retention bonus that exceeds ten (10) percent of market reference rate requires UNC System approval (up to fifteen (15) percent) or OSHR approval (above fifteen (15) percent).

3.2.3.1.4 Receipt of a retention bonus does not preclude an employee from receiving a retention base salary increase for a competitive offer as allowed by existing salary administration policy and regulation.

3.2.4 Final Installment of SHRA and EHRA Sign-On and Retention Bonuses

An employee in an active pay status is eligible for the final sign-on or retention bonus installment if the employee remains employed at UNCP and in the same occupational area for the defined period of consecutive service. Notwithstanding the above, an employee is not eligible for the final sign-on or retention bonus installment if:

3.2.4.1 the employee's overall performance rating at any time is not at a minimum of "Meeting Expectations" [in good standing] or the employee has documented disciplinary actions for misconduct or unacceptable job performance or personal conduct;

3.2.4.2 the employee subsequently transfers to another UNC System institution or state agency before the completion of the defined period of consecutive service; or

3.2.4.3 the employee's employment terminates before the defined period of consecutive service.

3.3 Referral Bonus [SHRA]

3.3.1 The purpose of the employee referral bonus is intended to assist with situations that are significantly challenging for the university to recruit and retain. The significant challenges should be well documented with supporting data and relevant market information.

3.3.1.1 Permanent full-time, part-time, time-limited and probationary SHRA employees are eligible to receive a referral bonus within the guidelines outlined below. (Temporary employees

are not eligible to receive a referral bonus.) Referral bonuses are available for vacant occupations classified as EHRA Law Enforcement Officer (LEO).

3.3.1.1.1 This program allows for current SHRA employees to receive a referral bonus, if the referred candidate is selected for the EHRA LEO position. There is a cap of no more than \$1,000 bonus per referral and no more than five (5) bonuses within one (1) fiscal year.

3.3.1.1.1 Bonuses up to \$250 may be issued as one lump-sum payment if the candidate remains employed in the position no fewer than ninety (90) calendar days after the hire date

3.3.1.1.2 Bonuses greater than \$250 must be made in multiple payments:

3.3.1.1.2.1 Twenty-five (25) percent of the referral bonus awarded after three (3) months from the hire date

3.3.1.1.2.2 Twenty-five (25) percent of the referral bonus awarded after six (6) months from the hire date

3.3.1.1.2.3 Fifty (50) percent of the referral bonus awarded at one year of continuous employment

3.3.1.1.3 For multiple referrals in a fiscal year for the same referring employee, the bonus cannot cumulatively exceed five-thousand dollars (\$5,000).

3.3.1.1.4 Annual caps apply to the fiscal year of the selected candidate's hire date and is independent of the date(s) when the bonus is paid.

3.3.1.1.5 The selected candidate must have completed the basic law enforcement training (BLET) and awarded a certification of successful completion.

3.3.1.1.6 Referral bonuses are taxable but are exempt from contributions to state retirement programs.

3.3.1.1.7 The SHRA employee and the vacant position must be within the university of North Carolina at Pembroke.

3.3.1.1.8 The employee cannot receive a bonus for the hire of "related persons", as defined in section B of the [UNC Policy Manual 300.4.2](#).

3.3.1.1.9 The employee must be in good standing (e.g., at least a "Meets Expectations" for their final overall performance rating and not subject to a performance improvement plan) to receive a bonus.

3.3.1.1.10 The referred candidate must remain employed for at least ninety (90) days for the referring employee to receive the bonus payment.

3.3.1.1.11 The employee must be employed at the time of the bonus payment in order to receive payment (an exception will be provided for employees who retire prior to any final payment of the bonus).

3.3.1.1.12 The selected candidate must not have been employed with the university within the preceding twelve (12) months.

3.3.1.1.13 The selected candidate must specify on the application the name of the university employee who had referred the candidate, and if more than one eligible employee is listed, then the bonus will be pro-rated for each referring employee.

3.3.1.1.14 The SHRA employee cannot participate in the hiring process for the position, and the employee cannot be in the chain of command for the vacant position.

3.3.1.1.15 The SHRA employee cannot share the referral bonus with the selected candidate.

4. PROCEDURES

4. Request for Employment Bonus

4.1 The departmental manager submits a request using the university's employment bonus form to the college/school/departmental office for approval. If approved by the college/school/departmental office, the request is then routed to the divisional office for approval by the senior administrator or designee. The request should include the following:

4.1.1 Completed university employment bonus form to include a proposed amount and repayment plan

4.1.2 Detailed documentation demonstrating a job-related justification to support the bonus (e.g., turnover rates higher than acceptable, retention rates are significantly lower than acceptable)

4.1.3 Data regarding industry standards for the position(s) to receive these bonuses (e.g., policies and or job advertisements from competing employers)

4.1.4 Steps to mitigate recruitment and retention issues (e.g., moving employee's salary toward midpoint, creating career paths, supporting inclusion)

4.1.4.1 If the request is approved by the division administrator or designee, the u form and all of the related documents should be routed to office of human resources (OHR) for review.

4.1.4.2 OHR will review the appropriate policies to determine if eligibility has been met and that all necessary information is included. Additionally, the situation will be assessed as it compares to previous approvals and campus wide considerations for the purposes of compliance and consistency as well as the ability to demonstrate legitimate business needs/purposes that are non-discriminatory in nature. The goal of the program is to identify and address the most significant areas of concern based upon appropriate documentation and justification.

4.1.4.3 OHR will make a recommendation and forward the request form along with the supporting documentation to the office of Financial Planning and Analysis (FP&A) in the division of Finance and Administration for approval of availability of funds and oversight of the Vice Chancellor for Finance & Administration.

4.1.4.4 FP&A will notify the Assistant Vice Chancellor for Human Resources who will then share with the requesting divisional office.

4.1.4.5 The divisional leader and/or designee will execute an agreement to be signed by individual/employee and department leadership. This agreement will include information about eligibility for the bonus, method of payment for the bonuses and criteria for repayment if the agreement is not fulfilled.

4.1.4.6 If approved, a signed agreement with the individual/employee will be created and maintained in their personnel file.

4.1.4.7 The bonus is processed in accordance with university payroll processes.

4.2 Divisional office will execute an agreement to be signed by individual/employee and department leadership. This agreement will include information about eligibility for the bonus, method of payment for the bonuses and criteria for repayment if the agreement is not fulfilled.

5. REQUIRED AGREEMENT AND RECOUPMENT

5.1 Repayment Agreement [EHRA and SHRA]

5.1.1 Before an employee may receive a sign-on or retention bonus, the employee must sign an agreement under which the employee agrees to repay the bonus, in whole or part, if the employee transfers to another state agency or university or if their employment with the University separates, either voluntarily or involuntarily, before the completion of a period of one (1) year. [NOTE: EHRA faculty one year of employment is equivalent to a full academic year and EHRA non-faculty and SHRA employee's one year equivalency is twelve (12) months of consecutive service.] This service period begins on the employee's start date for sign-on bonuses and on the date of initial payment for retention bonuses.

5.1.2 Repayment Formula: Repayments will be based on the following formula:

5.1.2.1 Amount of initial sign-on/retention bonus received/12 months = prorated monthly amount.

5.1.2.2 Prorated monthly amount x (12 months - months worked) = repayment due.

5.1.3 The amount of repayment due will be deducted in full from the employee's final pay. If the amount deducted exceeds the final pay, the remaining balance must be paid in full to the University within sixty (60) days from the last date of employment.

5.1.4 The agreement must also state that if the employee does not terminate employment with the University but moves to another school/division or to another occupational group within the University before completion of one year of service, the employee forfeits any remaining unpaid installment of their bonus.

5.1.5 The "period of consecutive service" follows eligibility rules for state service credit and leave accruals. Periods of leave without pay do not count toward the required one year of consecutive service.

5.2 Exemptions from Repayment: An employee is not required to repay any amount of a sign-on or retention bonus if the employee's transfer or termination of employment was due to:

5.2.1 Death or severe illness requiring hospitalization of the employee or the employee's parent, spouse, sibling, or child.

5.2.2 Employee was unable to perform all of the position's essential duties because of a medical condition;

5.2.3 Elimination of the employee's position; or

5.2.4 A reduction in force or discontinuation of employment