


Interim New Policy

This Policy establishes guidelines for the implementation of sign-on, retention, and performance bonuses, including eligibility requirements, procedures, and approval processes.

	<p style="text-align: center;">NORTH CAROLINA A&T STATE UNIVERSITY</p> <p style="text-align: center;">CHAPTER 100 – PERSONNEL POLICIES</p> <p style="text-align: center;">UNIVERSITY POLICY 215, SIGN-ON, RETENTION, AND PERFORMANCE BONUSES FOR PERMANENT EMPLOYEES</p>
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SECTION 215.1 POLICY STATEMENT

North Carolina Agricultural and Technical State University (“N.C. A&T” or “University”) is committed to attracting and retaining top talent to advance its mission of excellence in education, research, and service. To support this goal and provide greater flexibility in attracting, retaining, and rewarding a talented workforce, the University offers sign-on, retention, and performance bonuses as part of its competitive compensation strategy.

SECTION 215.2 PURPOSE

This Policy outlines the parameters for eligibility and approval for awarding bonuses to permanent employees subject to the State Human Resources Act (“SHRA”) and faculty and non-faculty employees Exempt from the State Human Resources Act (“EHRA”).

SECTION 215.3 SCOPE

This Policy applies to all permanent benefits-eligible EHRA and SHRA employees at N.C. A&T, except the Chancellor, Director of Intercollegiate Athletics (“Athletic Director”), and head coaches. The Athletic Director and head coaches are subject to UNC Policy Manual § 1100.3, Head Coaches and Athletic Directors’ Contracts.

SECTION 215.4 EMPLOYMENT BONUS PROGRAM DEFINITIONS

- (1) “Moving Allowance” means a relocation allowance or relocation stipend that serves as a financial package to help a new hire with the costs of moving to a new location for work with the University. Moving allowances may be offered to new employees who are recruited for full-time, permanent positions and whose move will be from outside a 50-mile radius of the Greensboro area.
- (2) “Performance Bonus” means discretionary compensation that recognizes merit and rewards exceptional EHRA employee performance and effectiveness that substantially exceeds the position's expectations.

- (3) “Retention Bonus” means a discretionary bonus that may be granted by the University when an employee would likely leave the University in the absence of a retention incentive, and must be based on at least one of the following circumstances:
- To retain a group of employees in a specific job classification when NC A&T has offered a sign-on bonus as a recruitment incentive for that same job classification;
 - To retain an individual employee when NC A&T has offered a sign-on bonus as a recruitment incentive to individuals in a similar, critical position within the same unit;
 - To retain a team of employees assigned to a special initiative where their combined special skills and understanding of the initiative are critical to its successful completion; or
 - To retain a critical individual employee when they are likely to leave NC A&T to work for another agency or employer.
- (4) “Sign-On Bonus” means a discretionary bonus that serves as a recruitment incentive to aid in employing individuals for critical positions that have labor market shortages which affect the business needs of the University and impair the delivery of essential services. A sign-on bonus must be determined based on labor market data and pay factors, including funding availability, and be based on specific, demonstrated recruitment needs for a specific job classification and/or for an individual position.

SECTION 215.5 BONUS FUNDING SOURCES

Bonuses may be funded from any source, including state or non-state appropriations, so long as the funding source permits expenditures for the purpose of the bonus. The use of state funds must be permissible under the policies of the North Carolina Office of State Budget and Management. All bonus programs are subject to funding availability, and there are no guarantees that funds will be available for bonuses in any given fiscal year.

SECTION 215.6 REQUIRED AGREEMENT AND RECOUPMENT

Section 215.6.1 Payment of Bonuses

- (a) Any SHRA sign-on or retention bonus that exceeds \$2,500 must be paid in at least two installments.
- (b) Any EHRA sign-on or retention bonus that exceeds \$5,000 must be paid in at least two installments.
- (c) If a bonus is paid in multiple installments, then the minimum amount of time over which the first and the last installments are paid shall not be less than 90 days.
- (d) No more than two-thirds of the total bonus may be paid in the first installment.
- (e) The maximum amount of time for the last installment shall be no longer than 18 months following the first installment. Periods of leave without pay do not count toward those 18 months.

Section 215.6.2 Repayment Agreement

- (a) Bonuses are not mandatory, and it is not a condition of employment for someone to accept a sign-on, retention, or performance bonus.
- (b) 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 if employment with the University terminates, either voluntarily or involuntarily, before the completion of a period of consecutive service of 18 months.
- (c) 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 18 months of service.
- (d) For sign-on bonuses, the 18-month period begins on the employee’s start date.
- (e) For retention bonuses, the 18-month period begins on the date of initial payment of the retention bonus.

Section 215.6.3 Repayment Formula

- (a) Repayments will be based on the following formula:
 - (1) Amount of initial sign-on/retention bonus received/18 months = prorated monthly amount.
 - (2) Prorated monthly amount x (18 months - months worked) = repayment amount due.
- (b) The amount owed will be deducted in full from the employee’s final paycheck and any subsequent compensation issued by the University at a later date. If the amount to be deducted exceeds the amount of the final paycheck, the employee must repay the remaining balance to the University within sixty (60) days from the last date of employment.
- (c) An employee who does not terminate employment with the University but moves to another college/division/department or another occupational group within the University before the completion of 18 months of service, will forfeit any remaining unpaid installment of their bonus.

Section 215.6.4 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:

- (1) Death or severe illness requiring hospitalization of the employee or the employee's parent, spouse, sibling, or child;
- (2) Employee was unable to perform all of the position's essential duties because of a qualifying medical condition;

- (3) Elimination of the employee's position; or
- (4) A reduction in force.

SECTION 215.7 APPROVALS

- (a) The Division of Human Resources must review sign-on and retention bonus request forms for SHRA and EHRA non-faculty employees, the amount requested, rationale, and all supporting documentation to determine eligibility for approval. Sign-on and retention bonuses for SHRA and EHRA non-faculty employees must be approved by the Associate Vice Chancellor & Chief Human Resources Officer
- (b) The Division of Academic Affairs' Office of Personnel Budget must review sign-on and retention bonus request forms for EHRA faculty, the amount requested, rationale, and all supporting documentation to determine eligibility for approval. Sign-on and retention bonuses for EHRA faculty employees must be approved by the Provost & Executive Vice Chancellor for Academic Affairs.
- (c) All sign-on or retention bonus requests for senior academic and administrative officers must be approved by the Board of Trustees.
- (d) Documentation of the need and request for approval to award a bonus must be submitted to the relevant office prior to communication and payment to the employee. Upon approval of an employee bonus request, the employee will receive written notice. The notice must include information regarding eligibility for the bonus, method of payment, and criteria for repayment if the employee fails to meet the obligations required for the bonus.
- (e) Groups of more than 50 employees receiving bonuses require pre-approval by the Office of State Budget Management and the Office of State Human Resources. Sign-on and retention bonuses must not be tied to meeting specific goals, special levels of productivity, quality and accuracy or work, efficiencies, or attendance.
- (f) Depending on the bonus amount requested, additional approvals must be requested and received as identified below:
 - (1) SHRA sign-on and/or retention bonuses must not exceed 10% of the market rate associated with a position without UNC System Office approval (up to 15%) or Office of State Human Resources (OSHR) approval (above 15%).
 - (2) EHRA sign-on and/or retention bonuses must not exceed the lesser of \$25,000 or 20% of the annualized base salary without the approval of the UNC System President and the Committee on University Personnel of the UNC Board of Governors.
- (g) The decision to approve, award, or withhold a bonus is within the University's sole discretion and based on established criteria. Non-issuance of a bonus shall not be grievable under any institutional grievance procedure, except in cases where the employee alleges violations of equal employment opportunity (EEO) laws or related policies.

SECTION 215.8 GENERAL REQUIREMENTS FOR SIGN-ON AND RETENTION BONUSES

- (a) SHRA and EHRA candidates for probationary, permanent, or time-limited positions working at least 20 hours per week may be eligible for sign-on or retention bonuses.
- (b) Bonuses for eligible employees working in part-time positions over 20 hours per week must be prorated based on hours worked.
- (c) The candidate or employee must not have worked as a probationary, permanent, or time-limited employee in the last twelve (12) months as an SHRA or EHRA employee in North Carolina state government.
- (d) An employee may receive either one sign-on bonus or one retention bonus, but not both, within any 24-month period without approval of the Office of State Human Resources. Receipt of a sign-on or retention bonus does not preclude an eligible EHRA employee from receiving a performance bonus as allowed by this Policy.
- (e) The University may award sign-on or retention bonuses to retain a team of employees assigned to a special initiative of the University where their combined skills and understanding of the initiative are critical to its successful completion, failure to complete the initiative would negatively affect University operations, and conditions in the labor market demonstrate a heightened risk for loss of critical talent.
- (f) Sign-on and retention bonuses are not subject to retirement contributions to either the Teachers' and State Employees' Retirement System ("TSERS") or the UNC Optional Retirement Program ("ORP").
- (g) The University must not award any bonus under this Policy to an employee who:
 - (1) has received an end of appointment notice;
 - (2) did not receive an overall rating of at least "Meeting Expectations" on their most recent annual appraisal, or if an annual performance appraisal was not required, is deemed to not be in "good standing";
 - (3) is currently working under a performance improvement plan; or
 - (4) is no longer actively employed in their position.
- (h) 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.

Section 215.8.1 Sign-On Bonus 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.

Section 215.8.2 Sign-On Bonus for a Specific Job Classification

- (a) To enhance the ability to recruit qualified candidates during labor market shortages, a division may recommend offering sign-on bonuses to candidates hired into positions for a specific job classification within the University or division.
- (b) 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.

Section 215.8.3 Requirements and Limitations for Retention Bonuses

- (a) To be eligible for a retention bonus, an employee must work at least 20 hours per week.
- (b) To be eligible for a retention bonus, an individual SHRA employee:
 - (1) must not have received any retention or sign-on bonuses that totals more than \$2,500 from any employment with the State of North Carolina for the job classification in which they are working in the last 24 months. This limit counts all bonuses awarded over a 24-month period before the bonus award date, and will count the entire bonus award regardless of whether all installments have been paid;
 - (2) must have been in the position or within the same college/division/department and in the same occupational group for at least six (6) months.
- (c) Retention bonuses must not be awarded in an across-the-board manner to broad classes of employees unless they are awarded in conjunction with sign-on bonuses based on critical labor market needs for a specific job classification.
- (d) If an employee is initially ineligible for a retention bonus due to a disciplinary action, they may become eligible if the disciplinary action becomes inactive while the university's retention bonus program remains active. Eligibility is contingent upon the employee meeting all other program requirements. However, the inactivity of a disciplinary action does not automatically guarantee entitlement to a retention bonus.

Section 215.8.4 Eligibility for the Final Installment of Sign-On and Retention Bonuses

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

- (1) the employee's overall performance rating at any time is not at a minimum of "Meeting Expectations" or the employee has documented disciplinary actions for misconduct or performance;
- (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) the employee's employment terminates before the defined period of consecutive service.

SECTION 215.9 PERFORMANCE BONUSES FOR EHRA EMPLOYEES

- (a) Only eligible EHRA employees may receive performance bonuses.
- (b) Any award of a performance-based bonus must be tied to the completion of a full annual performance appraisal cycle for existing eligible non-faculty employees and aligned with the provisions of a written incentive compensation plan for covered faculty.
- (c) Employees hired after the start of the annual performance cycle may be considered for a performance-based bonus if they complete at least three-quarters of the performance cycle.

Section 215.9.1 Requirements for Performance Bonuses

- (a) A performance bonus and its amount must be tied to specific criteria and quantitative and qualitative goals documented in a non-faculty employee's annual performance plan or in a written incentive compensation plan for faculty, and must align with the school's or division's and the University's strategic plan.
- (b) Employees considered for a performance-based bonus must have a performance plan established either at the start of the annual performance cycle or upon hire for new employees.
- (c) A performance bonus must be based on at least one of the following specific, demonstrated performance achievements:
 - (1) Contribution - The employee must have made substantial contributions to the fulfillment of goals, mission and objectives of the department, school/division, or University. Contributions must be visible, measurable, and acknowledged by colleagues and school/division and/or University administrators.
 - (2) Collaboration/Creativity - The employee must have identified and implemented creative and innovative ideas or solutions that increase efficiency or effective use of University resources, the effects of which must be apparent at the school/division or University level and must be visible, measurable, and acknowledged by colleagues and school/division and/or University administrators.
 - (3) Commitment - The employee delivered outstanding results in the areas of teaching, research, and/or service and demonstrates an exemplary work ethic to meet departmental, school/division, or University goals, the results of which must be visible, measurable, and acknowledged by colleagues and school/division and/or University administrators.

- (d) Any performance bonus should be made as close to the prior year's performance appraisal cycle as reasonably possible.
- (e) A performance bonus may be paid in one lump sum or in installments during the fiscal year in which it is awarded.
- (f) An employee who leaves the position in which the performance bonus was earned prior to the full bonus being disbursed must receive the remainder of the performance bonus at the time of separation from the position.
- (g) Performance bonuses are subject to retirement contributions to TSERS or ORP.

Section 215.9.2 Limitations Exclusions for Performance Bonuses

- (a) Performance bonus compensation awarded in a single fiscal year must not exceed either twenty percent (20%) of the employee's current base salary or \$50,000. Unless approved by the UNC System President and the UNC Board of Governor's Committee on University Personnel.
- (b) An eligible EHRA employee may receive only one performance bonus award per year and the award should be made as close to the prior year's performance appraisal cycle as reasonably possible.
- (c) Performance bonuses must not be used in lieu of necessary and appropriate base salary adjustments, such as addressing essential labor market or equity situations.
- (d) SHRA and SAAO employees are ineligible for performance bonuses.
- (e) Performance-based pay for clinical faculty is covered under approved clinical incentive pay plans and is not included in this program.

POLICY HISTORY

Interim Policy Eff. December 9, 2024

AUTHORITY: Board of Trustees

POLICY OWNER: Associate Vice Chancellor for Human Resources/Chief Human Resources Officer

RESPONSIBLE OFFICE: Division of Human Resources

RESOURCES:

[Moving and Relocation Expense Allowances and Reimbursements Policy](#)

[Sign-On and Retention Bonus Policy, State Human Resources Manual, pg. 138, Eff. October 17, 2024](#)

[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](#)

[UNC Policy Manual § 1100.3, Head Coaches and Athletic Directors' Contracts](#)