



SHRA/EHRA SIGN-ON AND RETENTION BONUS POLICY SUMMARY

Policy Scope

- This Policy applies to all permanent employees at Charlotte, except the Chancellor, Athletic Director, and Head Coaches. The Athletic Director and Head Coaches are otherwise subject to [Section 1100.3](#) of the UNC Policy Manual.

Sign-On Bonus

- To attract qualified candidates for specific job classes critical to the University's mission that have labor market shortages and where it is common practice to be competitive in the market.
- To attract qualified candidates for a position that is critical to the mission of an institution in which the market is very competitive. Typically, the employee in the position will serve as the only individual in a role or will be one of two within an institution.

Retention Bonus

- To retain a group of employees during a period in which the institution is offering a sign-on bonus as a recruitment incentive for critical positions.
- To retain an employee when the institution has offered a sign-on bonus as a recruitment incentive to an individual in a similar critical position.
- To retain a team of employees assigned to a special initiative of the institution where their combined special skills and understanding of the initiative are critical to its successful completion. A 'special initiative' is a defined project with specific goals, and expected beginning and end, and dedicated staff who spend a substantial amount of time on that project.
- To retain an employee critical to the institution's mission.

Bonus Funding

- Bonuses may be funded from any departmental source, including state or non-state appropriations, so long as the funding source permits an expenditure for this purpose. For state funds, such use must be permissible under the policies of the Office of State Budget and Management. Note: Sign-On and Retention bonuses are not subject to retirement contributions.

Must Not Be Based on Productivity and/or Other Merit Considerations

- Sign-on and retention bonuses shall not be tied to meeting specific goals, specific levels of productivity, quality and accuracy of work, efficiencies, or attendance.

Sign-on Bonus Eligibility

- Probationary, permanent, or time-limited appointments.
- Must not have worked as an probationary, permanent, or time-limited employee in last 12 months.
- Must be at least half-time (bonus pro-rated for part-time employees).

Retention Bonus Eligibility

- Probationary, permanent, or time-limited appointments.
- Must not have received a retention or sign-on bonus within the last 24 months from any institution for the job classification in which they are working.
- Must have overall performance rating of at least "Meets Expectations."



SHRA/EHRA SIGN-ON AND RETENTION BONUS POLICY SUMMARY

- Must not have an active disciplinary action and/or working under a performance improvement plan.
- Must be at least half-time (bonus pro-rated for part-time employees).

Required University and/or System Office Pre-Authorization

- All sign-on and/or retention bonuses for SHRA and EHRA staff must be approved by the AVC Human Resources (with the exception of SAAO Tier I employees which require Board of Trustees approval).
- All sign-on and/or retention bonuses for EHRA Faculty must be approved by the Provost (with the exception of SAAO Tier I employees which require Board of Trustees approval).
- Sign-on and/or retention bonuses exceeding \$5,000 must be approved by the Vice Chancellor of Business Affairs. Sign-on and/or retention bonuses exceeding \$10,000 must be approved by the Chancellor.
- SHRA sign-on and/or retention bonuses may not exceed 10% of the market rate associated with position without UNC System Office approval (up to 15%) or OSHR approval (above 15%).
- EHRA sign-on and/or retention bonuses may not exceed the lesser of \$25,000 or 20% of the annualized base salary without UNC System President approval.

Pay Equity and Other Factors

- Institutions must consider pay equity factors when rendering decisions regarding bonuses. However, it is not a requirement to pay existing employees retention bonuses just because a sign-on bonus is offered to candidates.

Reference to Sign-On Bonuses in a Job Posting

- If approved and offered by the University, a sign-on bonus must be mentioned in a job posting with the following statement: "To be eligible for a sign-on bonus, the candidate must not have worked as a probationary, permanent, or time-limited employee within the last twelve (12) months as a University employee."

Declining Participation

- If a sign-on or retention bonus is offered to an applicant or employee, the applicant or employee is free to decline it. Sign-on or retention bonuses are not mandatory, and it is not a condition of employment for someone to accept a sign-on or retention bonus.
- Employees may elect to decline a bonus agreement and not receive a sign-on or retention bonus, but the employee must sign the repayment agreement to receive the bonus.

Payment and Recoupment of Sign-on or Retention Bonus

- Amount: The amount of a sign-on or retention bonus shall be determined based on labor market data and pay factors, which include funding availability.
- Payment of Bonus in Installments: **SHRA bonuses up to \$2,500 and EHRA bonuses up to \$5,000 may be paid in one installment.** Bonuses in excess of either the SHRA or EHRA bonus thresholds must be paid in at least two installments.
 - For a bonus paid in one installment, the period of consecutive service is between 3 months and 18 months, at the agency's discretion. For a bonus paid in multiple installments, the period of consecutive service is the total period between the first installment and the last installment.



SHRA/EHRA SIGN-ON AND RETENTION BONUS POLICY SUMMARY

- An institution may choose the number of installments and their interval(s), but the minimum timespan to complete the installments (ie, “period of consecutive service”) shall not be fewer than three (3) months and not greater than eighteen (18) months following the first installment.
- The “period of consecutive service” follows eligibility rules for state service credit and leave accruals. Periods of LWOP do not count toward those eighteen (18) months.
- If there are two or more installments, no more than two-thirds of the total bonus may be paid in the first installment
- **Ineligibility for the Final Installment:** The employee must remain employed in the same institution and in the same occupational area for the defined period of consecutive service to receive the final installment. Eligibility ends if:
 - the employee does not maintain at least a “Meets Expectations” on overall performance rating, or the employee has active disciplinary actions.
- **Repayment:** Employee must execute an agreement explaining the terms and conditions, including repayment requirements. The repayment shall be based on the following formula:
 - Pro-rated Monthly Amount =
Amount of Sign-On/Retention Bonus Paid / Period of Consecutive Service in Months)
 - Repayment Due =
Prorated Monthly Amount * (Period of Consecutive Service – Months Worked)

Example:

- Employee received a \$5,000 sign-on bonus, with a first installment of \$3,000 at sign-on and a second installment of \$2,000 twelve months later, but the employee leaves after six months.
- $\$3,000 \text{ Sign-On Bonus Received} / 12 \text{ Month Period of Consecutive Service} =$
 $\$250 \text{ Prorated Monthly Amount}$
- $\$250 \times (12 \text{ months} - 6 \text{ months}) = \$1,500 \text{ Amount Due}$

The amount due shall be deducted from the final paycheck from the institution that provided the bonus. If the amount deducted exceeds the final paycheck, the remaining balance shall be paid in full to the institution within sixty (60) days from the last date of employment.

- **Not Disciplinary:** Employees may not be disciplined for failing to stay with an institution for the full period of consecutive service. Similarly, although an employee may have an amount to repay if the employee received a sign-on or retention bonus but did not stay with the institution for the full period of consecutive service, the State’s only remedy is to recover those funds from the employee, not seek to discipline the employee.
- **Exemptions from Repayment:** An employee does not need to repay any amount of a bonus if the employee’s transfer or termination of employment was due to:
 - Death or severe illness requiring hospitalization of the employee or the employee’s parent, spouse, sibling, or child;
 - Separation because employee was unable to perform all the position’s essential duties because of a medical condition or the vagueness of a medical prognosis;
 - Elimination of the employee’s position; or a reduction in force (RIF).