

Constituent Universities

Appalachian
State University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics


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September 8, 2016

TO: Chancellors

FROM: Matthew S. Brody, Vice President of Human Resources 

SUBJECT: 2016 Appropriations Act – SHRA and EHRA Employee Bonus Provisions

Overview

The 2016 General Assembly ratified and on July 14, 2016 Governor Pat McCrory signed into law the 2016 Appropriations Act, which provides a one-time across-the-board lump sum bonus and a one-time merit bonus pool opportunity for State employees. The below guidelines for SHRA employees are based on instructions from the Office of State Human Resources and the EHRA guidelines were developed by UNC General Administration at the direction of the President under delegated authority from the Board of Governors. Specific implementation details and eligibility requirements for these bonuses are outlined below. Constituent institutions are not authorized to supplement the bonuses below in any manner beyond what is outlined in these instructions.

Across-the-Board One-Time Lump Sum Bonus

The constituent institutions will deliver a lump sum **across-the-board** bonus via Payroll during the month of October 2016. All eligible SHRA and EHRA University employees active as of September 1, 2016 shall be awarded this bonus in the amount of one-half of one percent (0.50%) of their current annual base salary as of September 1. The bonus calculation excludes any active temporary pay or salary supplements that may be in effect for the eligible employees. The following guidelines apply in implementing this bonus:

- To be eligible, the employee must be an SHRA or EHRA full or part-time permanent (e.g., benefits eligible) employee; probationary or time-limited employees are also eligible as are 9, 10, or 11-month employees.
- Permanent (e.g., benefits eligible) part-time employees shall be awarded a pro-rata bonus amount based on work schedule.
- The compensation bonus does not apply to employees separated from State service prior to September 1, 2016 or to employees hired effective September 2, 2016 or later.
- Employees on paid or unpaid leave of absence (LOA) effective September 1, 2016 are eligible for the compensation bonus.
- Employees are eligible for the bonus without consideration of performance ratings or disciplinary actions (SHRA).

- The Chancellor may opt to award the bonus to temporary (e.g., non-permanent, non-benefits eligible) employees who meet the remainder of the above criteria. However, the State has not appropriated any funds for this purpose, nor is there any automatic entitlement for a bonus for temporary employees.

One-Time Merit Bonus Pool

In addition to the 0.50% across-the-board bonus described above, a merit bonus pool is to be implemented to grant an additional lump sum bonus payment to be delivered in October 2016 for all eligible SHRA and EHRA employees. Unlike the 0.50% bonus, the merit pool bonus is **not across-the-board and is determined based on individual employee performance.**

For SHRA employees, there will be two levels of merit bonus awarded to employees in fixed amounts. One amount will be awarded to individuals whose last performance appraisal reflects a rating of “outstanding” and a second lesser amount will be awarded to those employees whose performance appraisal reflects a rating of “good” or “very good.” Employees who are performing at a level of “below good” or less based on their last performance review or have any active disciplinary action(s) as of October 1, 2016 will not receive any bonus. **The Office of State Human Resources has not yet confirmed the specific fixed amounts of the SHRA merit bonuses, although the amounts being discussed is in the \$400 to \$600 range. We expect to be able to confirm the final authorized amounts very soon and will notify you as soon as this information is available.** The remaining additional guidelines apply in implementing the SHRA bonus:

- To be eligible, the employee must be a full or part-time permanent (e.g., benefits eligible) employee with a hire date on or before January 1, 2016; probationary or time-limited employees are also eligible.
- Part-time permanent, probationary, and time-limited (e.g., benefits eligible) employees shall be awarded the applicable bonus amount on a pro-rata basis based on work schedule; temporary (e.g., non-benefits eligible) employees do not receive a bonus.
- The employee must have at least six (6) months of cumulative employment covered by the most recent performance review to be eligible, with a review completed no later than September 13, 2016.
- The employee will not have been separated from State service prior to the last day of the pay period in which the bonus payment is disbursed or have any separation that results in a break of service of 31 days or more within the current fiscal year.
- When an SHRA employee has transferred from another State agency or UNC constituent institution and has “insufficient time” at their current institution to receive the bonus, the manager may contact the previously employing agency to confirm the employee’s most recent SHRA performance rating if this information is not currently available.
- Employees on leave of absence during the time of the most recent performance evaluation must be rated upon their return and the performance rating must be completed by June 30, 2017 to be eligible to receive the bonus payment.

For EHRA faculty and EHRA non-faculty employees, the Chancellor is granted the discretion to award merit pool bonuses that **cumulatively do not exceed 1% of the institutions permanent (e.g., benefits eligible) EHRA salary base for eligible employees as of September 1, 2016; this calculation excludes temporary salary or salary supplements.** If resources permit, the Chancellor may decide to supplement the BOG-allocated merit bonus pool for EHRA employees with local campus resources in order to achieve a pool that is fully 1% of the combined State-funded and non-State funded salary base. Regardless of the addition of any local campus resources, the overall limit of not exceeding a total 1% merit pool limit must be maintained. There is no automatic entitlement to the bonus for EHRA employees and the Chancellor shall base the bonus award on individual meritorious performance. EHRA eligibility criteria for the bonus are as follows:

- Active full or part-time permanent (e.g., benefits eligible) employees.
- Six (6) months of active employment as of October 1, 2016.
- Not in receipt of an EHRA end of appointment notice or working a final notice as of the date the bonus is to be paid.

Any individual EHRA merit pool bonus should not exceed 2% of the employee's base salary as of September 1, 2016 (this calculation excludes temporary pay or salary supplements) and any individual bonus is also capped at \$2,500 regardless of the bonus percentage amount.

Retirement Deductions and Bonus Payments

Please note that neither the one-time across-the-board bonus payment nor the bonus merit pool payment is subject to retirement deductions. Please inform your Payroll Office accordingly when they set-up these payments.

Bonus Leave Payout Opportunity

We are still awaiting further details from the State regarding a one-time special opportunity for employees to cash-in accrued bonus leave. We expect to be able to communicate additional information on this program in January 2017.

Contact for Additional Information

If you have questions concerning any of the bonus provisions or eligibility, please contact Jessica Moore at jlmoore@northcarolina.edu or at 919-843-9100. Questions regarding any of the budgetary aspects of these programs, including the BOG allocations, should be directed to your Chief Financial Officer or General Administration Finance and Budget.

Cc: President Margaret Spellings
UNC GA Senior Officers
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Chief Financial Officers
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