



Item: PC: A-1

Tuesday, November 16, 2021

SUBJECT: REQUEST FOR APPROVAL OF NEW REGULATION 5.016, EMPLOYEE BONUS PLANS

PROPOSED BOARD ACTION

The University seeks approval of the proposed new Regulation 5.016, Employee Bonus Plans. This proposed new Regulation is a conversion and expansion of the lump sum/bonus payments provisions of FAU's existing Personnel Policy (Policy 7.5), as required by new Board of Governor's Regulation 9.015, University Bonus Plans. The proposed new University Regulation identifies the categories of employees who are eligible to receive bonuses, and the criteria that must be used and procedures that must be followed in the award of any bonus payment.

IMPLEMENTATION PLAN/DATE

If approved by the Board, the regulation will be effective November 16, 2021.

FISCAL IMPLICATIONS

N/A

Supporting Documentation: Text of proposed new Regulation 5.016

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Florida Atlantic University

Regulation 5.016 Employee Bonus Plans

- (1) Bonuses may be awarded to Executive Service, AMP, Faculty, and SP employees when specific criteria and/or conditions are met. All bonus payments must be approved by the Provost or unit Vice President. When the requested bonus is for a direct report to the Provost, unit Vice President, or President, the bonus payments must be approved by the President or designee.
- (2) Definition: Bonuses are lump sum payments which are nonrecurring compensation, and the amount will not be included in the compensation upon which State retirement benefits are calculated. Bonuses are subject to the availability of funds and will be subject to tax and FICA withholding as required by law. A bonus payment shall not exceed 15% of an employee's annual salary or \$5,000, whichever is greater. Proposed bonus payments above these limits must include additional written justification and be approved by the President or designee.
- (3) Criteria for Awarding Bonus Payments Based on *Employee Work Performance* may include:
 - a. Sustained superior work performance, as documented with an Exceeds or Outstanding overall rating on the most recent appraisal and a discipline-free work record for a prescribed period prior to any award;
 - b. Successful completion of special projects or attainment of established goals;
 - c. Temporary or permanent assignment of additional duties/responsibilities that do not require a change in position classification; or
 - d. Specific achievements or assignments of significance, or extraordinary performance under unique and appropriately documented situations.
- (4) Criteria for Awarding Bonus Payments Based on *Employee Recruitment* may include:
 - a. Candidates with desirable specialized skills and exceptional experience that meet a University need or that are in the best interests, and support the mission, of the University; or
 - b. Documented market conditions or departmental structure that merit such a recruitment award.
- (5) Criteria for Awarding Bonus Payments Based on *Employee Retention* may include:
 - a. Countering verified offers of competing employment - The employee's department should submit documentation of the job offer from the external entity which is being countered;
 - b. Addressing market conditions that are documented to be significantly higher than the current salary;
 - c. Ameliorating salary compression or inversion that may have developed within the same or comparable classifications or a work unit; or

- d. Acknowledging successful completion of approved career development, training, or certification programs that are in the best interests, and support the mission, of the University.
- (6) Requests for the award of bonus payments must reference at least one of the above specific criteria and supporting documentation must be included.
- (7) Bonus payments may be approved once within a 12-month period per employee. Requests for exceptions must include additional written justification and be approved by the President or designee.
- (8) Bonuses may be granted consistent with the provisions of employment agreements and duly ratified collective bargaining agreements if the bonus provisions in such agreements are based on at least one of the above criteria or on standards applicable to higher education and/or the relevant specific industry.
- (9) Bonuses may be included in a comprehensive incentive-based compensation program for services related to the delivery of clinical care through a University Faculty Practice Plan operating in accordance with University Regulation 9.001 and Board of Governors Regulation 9.017, or another health-care related program. Any such compensation program must be approved by the Board of Trustees.
- (10) Reporting: In the first quarter of each fiscal year, the President or designee shall report to the Board of Trustees the total amount paid during the prior fiscal year for performance, recruitment, and retention bonuses. The report shall include the President's certification that any bonuses paid during the reporting period complied with the University's bonus plan criteria and were paid from funds contained within the University's budget as approved by the Board of Trustees.

Specific Authority: Section 7(c), Art. IX, Fla. Const.; Florida Board of Governors Regulation 9.015; sec. 1012.978, F.S. History: New – November 16, 2021.