

POL 05.15.01
Non-Salary and Deferred Compensation Policy

Authority: Board of Trustees

History:

- First Issued: July 1, 2006.
- Revised: November 20, 2015.

Related Policies:

- [UNC Policy Manual 300.2.14 – Nonsalary and Deferred Compensation](#)
- [North Carolina Office of the State Budget Manual](#)

Additional Resources:

- [Non-Salary Compensation Form](#)

Contact Information: Vice Chancellor for Finance and Administration, 910.521.6209.

1. PURPOSE AND APPLICABILITY

1.1 UNC Policy Manual 300.2.14 requires each campus of the University of North Carolina to develop a policy on deferred compensation and non-salary compensation, and to submit it to the President for review prior to gaining final approval by the campus Board of Trustees. This policy applies to most employees of The University of North Carolina at Pembroke (UNC Pembroke) holding positions exempt from the State Human Resources Act (EHRA).

2. DEFERRED COMPENSATION

2.1 Definitions

2.1.1 For purposes of this policy, deferred (or delayed) compensation (or salary) shall be broadly defined to include, but not be limited to, any employer payment or contribution paid (1) directly to an employee, (2) to the employee's account or plan, or (3) to a person acting in a capacity similar to a trustee for the employee, which is paid later than the regular or next subsequent payment cycle, except for an error that is promptly corrected upon discovery. Delayed compensation also includes any retirement plans or accounts, annuities, life insurance that accumulates any cash value, and traditional 457 deferred compensation plans. This definition includes both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

2.2 Basic Programs offered by the State and University

2.2.1 The State of North Carolina and the University of North Carolina offer employees options for deferred compensation, including insurance programs. Unless expressly approved by the Board of Governors, UNC Pembroke may not provide any other employer-paid or privately-paid options for deferred compensation to its employees.

2.2.2 Subject to approval of the chancellor, UNC Pembroke is authorized to make any permitted employer contribution to the Optional Retirement Program or the Teachers' and State Employees' Retirement System.

3. NON-SALARY COMPENSATION

3.1 Definitions

3.1.1 Non-salary compensation includes, but is not limited to, provision of a vehicle or vehicle allowance, provision of housing or a housing allowance, club memberships, and special campus benefits provided for job-related reasons. Reimbursement of professional or work-related travel, and the provision of equipment to perform the work of the position (even if used at home, including computers, cellular telephones, pagers, and similar work related items), are permissible and are not considered non-salary compensation as used in this policy.

3.1.2 Moving expenses are considered non-salary compensation under the terms of this policy and for IRS W-2 reporting purposes. In accordance with authority from the Office of State Budget and Management (OSBM), the hiring approval process may include payment of moving expenses from state appropriated funding for Tier I Senior Academic and Administrative Officers (SAAO), as approved by the chancellor. The use of state appropriated funding for Tier I SAAO employees requires the prior written approval of OSBM. Moving expenses for Tier II SAAO EHRA and Instructional, Research and Public Services (IRPS) employees can be included as part of the hiring approval process, provided it is funded from non-state appropriated funding and it receives prior written approval from the chancellor. If the chancellor approves moving expenses for a Tier II SAAO employee, such approval shall be reported out to the Educational Planning and Personnel Committee of the Board of Trustees at its next Board meeting.

3.2 Justification

3.2.1 The awarding of non-salary compensation may be based on any reason or reasons considered relevant to attracting or retaining a faculty and staff of the highest possible quality. UNC Pembroke is an Equal Opportunity Employer and such recommendations or decisions may not be based on qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibits discrimination against all individuals based on their age, race, color, genetic information, religion, sex, sexual orientation, gender identity or national origin.

3.3 Request and Approval Process

3.3.1 Upon receipt of a written statement of justification provided by a provost and/or vice chancellor or on the chancellor's own initiative, the chancellor shall consider requests for the non-salary compensation of any EHRA employee of UNC Pembroke covered under this policy. If endorsed by the chancellor, requests must subsequently be approved by the Board of Trustees before the employee is eligible to receive the requested non-salary compensation, except as expressly approved in advance as stated in Appendix A to this policy.

3.4 Source of Funds and Reporting of Compensation

3.4.1 Unless permitted by the Office of State Budget and Management and approved by the Board of Trustees as stated herein, State funds shall not be used to provide non-salary compensation. Funding may be provided directly by a University-associated foundation, if permitted by foundation policy. Non-salary compensation for any employee must be reported appropriately to federal and state tax agencies.

4. EFFECTIVE DATE

4.1 This policy is effective upon approval by the Board of Trustees.

5. APPENDIX A

5.1 Current Inventory of Non-Salary Compensation and Perquisites [as of July 1, 2006].

5.1.1 Automobiles: Local area automobile dealerships contribute the use of assigned vehicles to the chancellor and, as approved by the chancellor, to the director of athletics, subject to annual reporting to the Board of Trustees.

5.1.2 Personal use of all such vehicles is reported and income taxes withheld in accordance with IRS regulations. The assignment of an automobile to any employee, including the director of athletics, is not construed as a term or condition of employment and does not constitute an employee entitlement.

5.1.3 UNC Pembroke provides a residence for the chancellor -- together with maintenance and operations costs -- occupancy of which is a requirement for tenure in the position. Under IRS regulations, provision of a residence under such circumstances is not taxable as compensation.

5.1.4 UNC Pembroke provides a residence for university residence counselors -- together with maintenance and operations costs -- occupancy of which is a requirement for being employed in the position. Under IRS regulations, provision of a residence under such circumstances is not taxable as compensation.

5.1.5 UNC Pembroke has housing available especially for visiting scholars, faculty, administrators and other guests of the University visiting in an official capacity. The chancellor may allow such official guests and SAAOs when initially hired and in transition to the University community to use such housing if the chancellor determines that having such a guest or SAAO housed in close proximity to the campus is convenient for and benefits the University. Use of such housing may only occur for short periods of time and, if a person's use of such housing is expected to exceed 30 calendar days, then the chancellor shall give the Board of Trustees notice of such use before or during its next regular meeting. The provision of temporary housing under this section to any employee is not construed as a term or condition of employment, does not constitute an employee entitlement, and may be terminated at any time by

the University. Personal use of such housing is reported and income taxes withheld to the extent required and in accordance with IRS regulations.

5.1.6 No non-salary compensation is provided to any university employee, other than that listed herein above. While UNC Pembroke extends incidental perquisites of employment to all university employees -- such as the Board of Governors' tuition waiver, incidental use of the student recreation center or library, participation in employee recognition programs which may include refreshments, or service awards programs, and which may include nominal gifts -- each such perquisite or recognition program has been evaluated in the context of appropriate IRS regulations and determined to qualify as de minimus and therefore not taxable in compensation.