



Policy Title:	Bonus Programs
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Policy Management Area(s):	Human Resources and Equal Opportunity

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SUMMARY:

This policy defines the guidelines in regard to the State of South Carolina Bonus Program and the Higher Education Bonus Program (HEBP). Coastal Carolina University defines the criteria in section II.A. below as an authorized bonus plan for purposes of paying under the HEBP.

POLICY:

I. GENERAL

A. State of South Carolina Bonus Program (SCBP)

Coastal Carolina University may spend state, federal, and other sources of revenue to provide lump sum bonuses to employees whose base salary is less than \$100,000 per year.

B. Higher Education Bonus Program (HEBP)

1. HEBP, SC Code Section 59-101-610, provides that, in addition to the bonus program authorized by the state pay plan, a public institution of higher learning may spend federal and other *non-state appropriated sources of revenue* to provide lump-sum bonuses at levels outlined in a plan approved by the governing body of the respective public institution of higher learning and according to guidelines established in the plan. This payment is not a part of the employee's base salary and is not earnable compensation for purposes of employee and employer contributions to the respective retirement systems.
2. Coastal Carolina University may spend non-state appropriated sources of revenue to provide lump-sum bonuses to recognize significant accomplishments and unique contributions of individual employees.

C. Eligibility

1. All slotted faculty, staff, and unclassified administrators may be eligible to receive bonus payments. Research grant, temporary grant and time-limited employees may also be eligible. Temporary employees may be considered for bonuses (HEBP).
2. Student employees are not eligible to receive bonus payments.
3. Employees whose base salary is more than \$100,000 per year are not eligible for the SCBP but are eligible under the HEBP legislation.
4. The president of the University is not eligible for either bonus program.
5. Bonus payments may only be made if allowable by the funding source and compliant with federal and state law. Certain restrictions exist in the area of the Office of Admissions & Merit Awards specifically and may exist in other areas as well.
6. Departments should not request the payment of bonuses to employees following their separation from employment, even if the bonuses were resulting from performance during their employment periods, unless there is a pre-existing contractual obligation of a bonus payment with the University where the performance goals are met. Should a pre-existing contractual obligation of a bonus payment with the University exist, the contract will control.

D. SCBP Specific Information

1. A bonus is not part of an employee's base salary and is not earnable compensation for purposes of employee and employer contributions to the respective retirement systems.
2. In lieu of a cash bonus, the employee may elect to receive the bonus as a discretionary, non-elective contribution to the employee's 401(k) account with the South Carolina Deferred Compensation Commission (subject to IRS limitations).
3. An employee may receive more than one bonus in a fiscal year; however, the total amount received during a fiscal year may not exceed \$3,000.
4. Education and general funds (E&G), grant generated funds, or other sources of revenue may be used to award bonuses. Funds for bonus and associated benefits payments must come from departmental budgets regardless of the source.

E. HEBP Specific Information

1. A bonus is not part of an employee's base salary and is not earnable compensation for purposes of employee and employer contributions to the respective retirement systems.
2. In lieu of a cash bonus, the employee may elect to receive the bonus as a discretionary, non-elective contribution to the employee's 401(k) account with the South Carolina Deferred Compensation Commission (subject to IRS limitations).
3. Bonus payments may not be made using state appropriated funds.
4. Bonuses under the HEBP must have a pre-approved bonus plan.
5. The president of the University, or the president's designee, is the final authority responsible for approving bonus plans prior to implementation and final approval of individual bonuses to employees, in consultation with the associate vice president for human resources. Bonus plans developed by the administration must be reported to the Finance, Planning & Facilities Committee as information before being implemented. In the absence of a specific plan the criteria listed in II.A. below is considered a general approved plan for which the HEBP can apply.

F. Bonus Approval

1. The award of a bonus is at the discretion of the department head/chair with support of its administrative channel, with ultimate approval of the president or designee.

II. BONUS CRITERIA

- A. Bonuses may be awarded to recognize significant accomplishments and unique contributions of individual employees for:
1. Increased organizational productivity.
 2. Development and/or implementation of improved work processes.
 3. Exemplary customer service.
 4. Realized cost savings.
 5. Receipt of professional certification which enhances service delivery.
 6. Receipt of a job-related degree when a promotional reclassification or additional duties pay increase is not appropriate.
 7. Specific contributions to the success of the University.
 8. Other criteria as described in a specific bonus plan (HEBP).
- B. The failure to receive a bonus may not be grieved through the University or state grievance processes for staff and administrators, or through the faculty grievance process.
- C. Employees with documented substandard performance or who have received any form of disciplinary action within the prior twelve month period are not eligible for bonuses.