4-OP-C-7-B12 RECRUITING INCENTIVES

Responsible Executive: Vice President for Finance and Administration

Approving Official: Vice President for Finance and Administration

Effective Date: ~~April 29, 2019~~, ____________

Revision History ~~Last Revision Date:~~ New, 4/29/2019. non-substantive changes, 01/23/23, Amended, ____________

I. INTRODUCTION

1. This policy provides guidance for determining eligibility and procedures for recruiting incentives, including sign-on bonuses, direct payment of moving expenses, temporary housing, and related incidentals to attract highly qualified individuals into positions deemed as critical to the mission and operation of the University. Guidelines for related incidentals can be found in the University's Taxable Fringe Benefits.
2. Eligible employees include Faculty, Executive Service (AEX), and Administrative and Professional (A&P). Generally, OPS employees are not eligible for payment of recruiting incentives. However, Postdoctoral Scholars may be eligible for a sign-on bonus at the discretion of the Chief Human Resources Officer and as deemed applicable by the appropriate Vice President and Sponsored Research Administration, where required. ~~within pay bands 05 and above~~. Exceptions for critical and ~~hard to fill~~hard-to-fill positions will require preapproval from the Chief Human Resources Officer. ~~OPS employees are not eligible for payment of recruiting incentives.~~

II. POLICY

A. SIGN-ON BONUS

1. A sign-on bonus may be paid by the University if such payment is clearly in the best interest of the University and if it has been authorized in accordance with the provisions of this policy. To offer a new, highly qualified employee a pre-employment sign-on bonus, the following criteria must be met:

1. The sign-on bonus has been determined to satisfy a University purpose by allowing the University to recruit a highly qualified person into a position deemed as critical to the mission and operation of the University.
2. Before offering a prospective employee a sign-on bonus, the funding source must be identified and approvals must be received from the Chief Human Resources Officer (CHRO), the appropriate Vice-President, and where applicable, Sponsored Research Administration (Contract and Grants).
3. The amount of a sign-on bonus may be up to 15% of the annual salary offered. The size of the incentive will be determined by the significance and the critical nature of the position. Any costs associated with relocation are included in this payment (e.g., movement of household goods and incidentals including house hunting, hotel, travel expenses, etc.).
4. The sign-on bonus will be paid as a lump sum and must be paid out of the hiring department's budget after the employee has reported for work.
5. Employees receiving these bonuses must commit to work for the University for no less than the ~~agreed upon~~ agreed-upon contracted year in continuous pay status. If the employee voluntarily terminates employment with the department before 6 months, the employee must return the full amount of the sign-on bonus to the University before the termination date. Voluntary termination after 6 months and before 1 year of employment (one academic year for 9- and 10-month faculty) will require 50% to be returned to the University.
6. The sign-on bonus must be documented in the offer letter. A sign-on bonus form must be included with the offer letter~~-~~, which includes key objectives for the employee, requirements for satisfactory performance, dates of employment, and pay~~-~~back terms if the agreement is not met. The sign-on bonus agreement form must be executed ~~with~~ for each employee receiving a bonus. Individual agreements will be reviewed and approved by the Chief Human Resources Officer.

- Note: In addition to the sign-on bonus, a department may also request a direct payment to a contracted vendor for moving the prospective or current employee's household goods.

B. MOVING EXPENSES

1. Moving expenses may be paid by the University if such payment is clearly in the best interest of the University, and if it has been authorized in accordance with the provisions of this policy. The approvals described below must be obtained before any obligation for payment of a moving expense will be processed.
2. Payment of moving expenses includes direct payment to a contracted vendor for moving the prospective or current employee's household goods. Incidental expenses associated with relocation (i.e., house hunting, hotel, travel expenses, etc.) are not covered by the University under this policy and will not be reimbursed.
    1. Justification to Pay Moving Expenses
        1. There are several situations where the payment of moving expenses is justified:
            - Initial appointment where recruitment has been difficult.
            - Regional or National recruitment is necessary.
            - Transfers in lieu of layoffs resulting in relocation.
            - Lateral or promotional transfers for fully justified broadening of careers.
            - Intra-agency/Geographical transfers for the benefit of the University.
            - Competitive market requires payment of moving expenses.
    2. Procedures
        1. Requests to pay employee moving expenses for a truck or tractor rental will be initiated by the department responsible for the budget that will be charged. Florida State University's Procurement Department maintains a contract with several moving companies and should be consulted prior

to the employee entering into an agreement with a company.

2. Prior approval by the Chief Human Resources Officer is required. The request must be documented and approved on the <u>Request for Approval to Pay Moving Expenses</u> form.

3. <u>Department's Responsibility:</u>

   ~~4.~~ • The Department should refer employees to Procurement Services for available carriers on contract who offer discounts. The employee will obtain the required estimates or price quotes per Procurement's policies and procedures.

   ~~5.~~ • The Department initiates the request for direct payment to an approved vendor for movement of household goods using the <u>Request for Approval to Pay Moving Expenses</u> form.

   ~~6.~~ • The Department will be responsible for the <u>fringe benefit rate in effect at the time the payment is made.</u> ~~normal employer-required FICA taxes.~~ The employee will be responsible for the applicable payroll taxes. The Department must advise <u>the</u> employee that this is considered taxable income and <u>that</u> the <u>associated</u> taxes will be deducted from the employee's biweekly paycheck<u>(s).</u> ~~over three pay periods.~~

   ~~7.~~ • The Department should route the <u>Request for Approval to Pay Moving Expenses</u> form through the appropriate approvals, including the Dean/Vice President and, if applicable, Sponsored Research/Foundation. When approved, the form should be forwarded to the Chief Human Resources Officer for review and final approval.

~~8.~~<u>4.</u> Employees receiving payment of moving expenses must commit to work for the University for no less than the agreed upon contracted year in continuous pay status. If the employee voluntarily terminates employment with the department before 6 months, the employee must return the full amount of the moving expenses to the University before the termination date. Voluntary termination after 6 months and before 1 year of employment (one academic year for 9- and 10-month faculty) will require 50% to be returned to the University.

~~9.~~5. **Note:** Upon final approval, the employee's offer letter must reflect: 1) the amount of the moving expense, 2) tax implications to the employee, and 3) a repayment period that will be enforced if an employee terminates within the first year of employment.

~~10.~~6. Human Resources' Responsibility:

- ~~11.~~ The Chief Human Resources Officer will audit the request form for completeness and timeliness and will authorize approval by signing and dating the request form. Copies of the executed form and quote(s) will be forwarded to Procurement Services for vendor payment and to Payroll Services for processing employee's tax liability. A copy will also be provided back to the department. The original copy will be placed in the employee's personnel file.

C. TEMPORARY HOUSING

1. Temporary Housing will not be applied to all positions assigned to a specific classification and will be evaluated on a case-by-case basis. Temporary Housing may be paid by the University if such payment is clearly in the best interest of the University, and if it has been authorized in accordance with the provisions of this policy.
2. Temporary Housing may not be provided beyond one year from the date of employment. Temporary Housing may be provided as a monthly Temporary Housing Allowance or the Department may directly pay housing costs to vendor. All Temporary Housing transactions related to employment are taxable events

to the employee and are subject to all federal taxes and other appropriate deductions.

3. The approvals described below must be obtained before any obligation for payment for Temporary Housing will be processed.
    1. Procedures
    2. Departments may provide Temporary Housing to eligible employees. Prior approval by the Chief Human Resources Officer or designee is required. The request must be documented and approved on the **Request for Approval to Pay Temporary Housing** form.
        a. Department's Responsibility:
            1. Requests to pay Temporary Housing to an employee will be initiated by the Department using the Request for Approval to Pay Temporary Housing form. The Department must obtain reasonable estimates to support the requested amount. The Department is responsible for retaining this documentation. If the Department is providing direct payment to vendor, receipt of payment for costs should be sent to Payroll Services.
            2. NOTE:
                - Temporary Housing provided to an employee on University premises is generally a taxable event. The value would be configured using the current market value. The Department should contact Payroll Services for more information.
                - Temporary Housing (and other travel related costs) provided to a nonresident alien receiving a scholarship/fellowship payment by the University is generally a taxable event. The Department should contact Payroll Services for more information.

3. The Department will be responsible for the ~~normal employer-required FICA taxes~~ fringe benefit rate in effect at the time the payment is made. The employee will be responsible for the applicable payroll taxes. The Department must advise the employee that this is considered taxable income and that the associated taxes will be deducted from the employee's biweekly paycheck(s).
4. The Department should route the Request for Approval to Pay Temporary Housing form through the proper approvals, then submit to Human Resources for final approval.
5. Employees receiving payment for temporary housing must commit to work for the University for no less than the agreed upon contracted year in continuous pay status. If the employee voluntarily terminates employment with the department before 6 months, the employee must return the full amount paid for temporary housing to the University before the termination date. Voluntary termination after 6 months and before 1 year of employment (one academic year for 9- and 10-month faculty) will require 50% to be returned to the University.

b. Human Resources Responsibility:

1. The Chief Human Resources Officer or designee will audit the request form for completeness and timeliness and will authorize approval by signing and dating the request form. One copy of the form will be forwarded to the initiating Department. One copy of the form will be forwarded to Payroll Services. The original copy will be placed in the employee's personnel file.

c. Employee's Responsibility:

1. The employee will be responsible for the applicable payroll taxes associated with the

Temporary Housing regardless if the payment is made directly to the employee or vendor. The University will withhold from the gross amount all taxes and other appropriate deductions that it would normally withhold from the employee's earnings.

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

~~D.~~ . BOG Regulation 1.001 (5)(a) grants the Board of Trustees authority over personnel programs specifically recruitment and benefits. That authority has been delegated to the President and , by the President, to appropriate university officials.