

Types of Non-Salary Executive Compensation Reported by UNC Peer Institutions

- Peer institutions used a variety of Executive Compensation Plans, all of which could be considered by UNC. Executive Compensation Plans can be used to make total compensation more competitive and to encourage retention or other pre-defined goals.
- Types of non-salary Executive Compensation* reported by the reporting peer institutions include:
 - **Deferred compensation** consisting of incentives that are held back for a certain term and paid at the end of the term. Deferred compensation is usually “vested” after every three to five years. This type of compensation can be useful in retaining executives. It is a form of investment as it defers payment of taxes on the contribution and also on the earned assets until vesting. Seventy-two (72) peer institutions reported paying deferred compensation to chief executives in annual amounts ranging from \$600 to \$255,872.
 - **Retention bonus programs** also designed to encourage retention by including a vesting period (three to five years) before bonus is earned. In a retention bonus program, the employer generally “budgets” a set amount per year for an executive; however, unless the executive stays for the specified number of years, the bonus is not paid. Seventeen (17) peer institutions reported retention bonus programs with bonus amounts ranging from \$3,565 to \$500,000.
 - **Performance bonus programs** designed to promote achievement of particular measurable goals. In a performance bonus program, the payment of a bonus is tied to the completion of a specified set of goals. Goals can be set on an annual basis or on a longer term basis. Six (6) peer institutions reported performance or incentive bonuses ranging from \$1,000 to \$141,075.
 - **Supplemental retirement programs** can be constructed to provide additional retirement income for executives. Employer contributions are generally made on an annual basis. The executive does not receive any advantage until retirement. We did not request information about supplemental retirement programs; however, two peers reported annual supplemental retirement payments of \$75,000.
- When initiating any kind of Executive Compensation program that includes a vesting requirement, consideration should be given to how to appropriately recognize the length of service of currently employed executives. As an example, if the vesting period for new executives is determined to be 5 years, a shorter vesting period might be imposed for executives who have several years of service.
- Tax treatment of Executive Compensation is carefully controlled by IRS regulations. Any proposed Executive Compensation program must be carefully constructed and reviewed to ensure compliance with IRS regulations.

*Twenty-seven (27) institutions reported undefined “other bonuses”

Executive Compensation Analysis--UNC System Peers									
Institution	Salary Range	Base Salary	UNC Variance from Mean Salary	Total Comp	UNC Variance from Mean Total Comp	# of Peers Rptg	Peer Mean Total Comp	# of Peers w/ Lower Total Comp	# of Peers w/ Higher Total Comp
Appalachian State University	\$236,979 - \$379,180	\$290,000	(\$13,754)	\$315,750	(86,585)	15	\$402,334	4	11
East Carolina University	\$290,259 - \$464,431	\$315,000	(\$42,535)	\$344,057	(\$107,200)	15	\$451,257	4	11
Elizabeth City State University	\$181,385 - \$290,226	\$216,300	(\$32,565)	\$239,033	(64,564)	4	\$303,687	2	2
Fayetteville State University	\$185,044 - \$296,080	\$234,000	\$1,615	\$261,752	\$6,511	6	\$255,241	4	2
NC A&T State University	\$290,259 - \$464,431	\$300,000	\$14,123	\$325,750	(\$27,659)	10	\$353,408	4	6
NC Central University	\$236,979 - \$379,180	\$290,000	(\$21,992)	\$319,057	(\$38,885)	9	\$357,942	5	4
UNC School of the Arts	\$272,164 - \$435,479	\$236,000		\$260,804		0		0	0
NC State University	\$355,786 - \$569,278	\$420,000	(\$31,077)	\$445,750	(\$126,146)	13	\$571,895	3	10
UNC Asheville	\$272,164 - \$435,479	\$237,930	(\$46,342)	\$266,987	(\$70,060)	9	\$337,047	3	6
UNC-Chapel Hill	\$355,786 - \$569,278	\$420,000	(\$58,263)	\$449,057	(\$184,302)	10	\$633,359	2	8
UNC Charlotte	\$290,259 - \$464,431	\$315,000	(\$69,286)	\$344,057	(\$187,416)	16	\$531,473	3	13
UNC Greensboro	\$290,259 - \$464,431	\$315,000	(\$68,476)	\$344,057	(\$157,289)	15	\$501,346	3	12
UNC Pembroke	\$185,044 - \$296,080	\$240,000	\$13,733	\$261,009	\$11,302	15	\$249,707	10	5
UNC Wilmington	\$236,979 - \$379,180	\$300,000	(\$6,226)	\$325,750	(\$25,311)	12	\$351,060	5	7
Western Carolina University	\$236,979 - \$379,180	\$280,000	\$25,722	\$309,057	\$15,644	12	\$293,413	8	4
Winston-Salem State University	\$185,044 - \$296,080	\$234,000	\$6,287	\$261,752	(\$13,411)	13	\$275,164	6	7
NC School of Science and Math	\$181,385 - \$290,226	\$245,000	(\$36,846)	\$270,750	(\$68,657)	4	\$339,407	2	2

Data as Reported by Institutions (April, 2010)

Note: All institutions reporting are public or partially funded with public dollars

Executive Compensation Analysis--UNC System Peers

Institution	# of Peers Reported	Mean Salary	UNC Variance from Mean Salary	Mean Retirement	Mean Deferred Comp	Mean Retention Bonus	Mean Other Bonus	Mean Total Comp	UNC Variance from Mean Total Comp
Appalachian State University	15	\$303,754	(\$13,754)	\$30,812	\$20,282	\$33,333	\$14,153	\$402,334	(\$86,585)
East Carolina University	15	\$357,535	(\$42,535)	\$30,586	\$36,042	\$7,591	\$19,502	\$451,257	(\$107,200)
Elizabeth City State University	4	\$248,865	(\$32,565)	\$21,072	\$6,250	\$0	\$27,500	\$303,687	(\$64,654)
Fayetteville State University	6	\$232,385	\$1,615	\$22,857	\$0	\$0	\$0	\$255,241	\$6,511
NC A&T State University	10	\$285,877	\$14,123	\$27,627	\$32,760	\$6,000	\$1,144	\$353,408	(\$27,659)
NC Central University	9	\$311,992	(\$21,992)	\$24,260	\$9,689	\$0	\$12,000	\$357,942	(\$38,885)
UNC School of the Arts	0								
NC State University	13	\$451,077	(\$31,077)	\$29,955	\$48,032	\$17,308	\$25,523	\$571,895	(\$126,146)
UNC Asheville	9	\$284,272	(\$46,342)	\$21,831	\$6,833	\$0	\$24,111	\$337,047	(\$70,060)
UNC-Chapel Hill	10	\$478,263	(58,263)	\$46,411	\$59,600	\$40,694	\$8,392	\$633,359	(\$184,302)
UNC Charlotte	16	\$384,286	(\$69,286)	\$30,002	\$31,191	\$44,741	\$41,254	\$531,473	(\$187,416)
UNC Greensboro	15	\$383,476	(\$68,476)	\$28,897	\$37,507	\$36,133	\$15,333	\$501,346	(\$157,289)
UNC Pembroke	15	\$226,267	\$13,733	\$19,801	\$2,067	\$238	\$1,333	\$249,707	\$11,302
UNC Wilmington	12	\$306,226	(\$6,226)	\$26,917	\$15,833	\$2,083	\$0	\$351,060	(\$25,311)
Western Carolina University	12	\$254,278	\$25,722	\$21,754	\$13,214	\$0	\$4,167	\$293,413	\$15,644
Winston-Salem State University	13	\$227,713	\$6,287	\$20,146	\$11,919	\$5,000	\$10,385	\$275,164	(\$13,411)
NC School of Science and Math	4	\$281,846	(\$36,846)	\$19,169	\$32,141	\$0	\$6,250	\$339,407	(\$68,657)

Data as Reported by Institutions (April, 2010)

Note: All institutions reporting are public or partially funded with public dollars