

### **Regulation for Deferred Compensation for Senior Academic and Administrative Officers**

- I. Purpose. To support retention of executive-level talent by the University, the Board of Governors has authorized the eligibility of Senior Academic and Administrative Officers (SAAOs) for deferred compensation in the form of discretionary employer contributions to the Senior Administrative Officer Retirement Program (SAORP), a qualified executive retirement plan administered by the UNC System Office. Pursuant to paragraph II.E. of Section 300.2.14, *Policy on Non-Salary and Deferred Compensation*, of the UNC Policy Manual, the Board has delegated approval of SAAOs to participate in the SAORP to the president. In addition, the Board has delegated the administration of the SAORP program to the president.
- II. Approvals.
  - A. SAAO approval to participate in the SAORP is on the recommendation of the chancellor with the approval of the president. The president may also approve such contributions directly for any SAAO of the UNC System Office.
  - B. The procedures and templates to request participation of an SAAO in the SAORP will be sent by the UNC System Office to an institution upon request.
- III. Contributions. Participating SAAOs with approval of the president may receive one or both of the following contributions for any given year.
  - A. Annual Employer Retention Contributions. The president may direct for any participating SAAO in the qualified executive retirement plan set forth in this regulation contributions that may not exceed ten percent (10%) of the employee's total compensation (including base salary and any performance bonus earned for that covered period). The president may set vesting terms for these contributions. Employees must complete at least twelve months of University service prior to the receipt of any award.
  - B. Annual Supplemental Employer Contributions. The president may direct any incentive compensation for participating SAAOs derived from any incentive compensation outlined in paragraph I.H. of Section 200.6, paragraph I.F.3. of Section 300.2.14 of the UNC Policy Manual, *Policy on Non-Salary and Deferred Compensation*, or as otherwise determined by the president. SAAOs will be immediately vested in supplemental employer contributions.
- IV. Other Conditions.
  - A. Contributions are voluntary on the part of constituent institutions and/or the UNC System Office and may be suspended or discontinued at any time and for any reason by the UNC Board of Governors or the president.

B. Contributions are subject to availability of institutional funds, and no contribution shall be funded if an employee has received notice of an end of appointment and/or is no longer currently actively employed by the institution or the UNC System Office, regardless of prior approvals or written commitments. Contributions under this regulation must be made with non-state funds.

V. Other Matters.

A. Effective Date. The requirements of this regulation shall be effective on the date of adoption of this regulation by the president.

B. Relation to State and Federal Laws. The foregoing regulation as adopted by the president is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this regulation.