

**Regulation for Deferred Compensation
for Senior Academic and Administrative Officers
Other than Chancellors or the President**

I. Introduction. To support recruitment and retention of executive-level talent by the University, the UNC System Board of Governors has authorized¹ the eligibility of any Senior Academic and Administrative Officer (SAAO) for deferred compensation in the form of annual contributions to a qualified executive retirement plan administered by the UNC System Office on 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. Any constituent institution that seeks to make contributions as prescribed in this regulation shall have a written policy on Non-Salary and Deferred Compensation, consistent with Section 300.2.14 of the UNC Policy Manual.

II. Notification. The chancellor must deliver a written recommendation to the president for each SAAO to receive contributions to the plan, which shall include the following items:

- A. The source(s) of funds from which the contributions will be made and the amount of the proposed contribution(s) as a percent of the eligible employee's base salary;
- B. Whether the contribution(s) will be ongoing until appointment end or shall expire in a specified period;
- C. The vesting period that shall apply to all contributions made to the eligible employee's qualified executive retirement plan account.

III. Permissible Contribution Amount. Contributions to any individual employee participating in the qualified executive retirement plan set forth in this regulation shall occur once annually and may not exceed ten percent (10%) of the employee's current base salary in effect at the time the contribution is made by the UNC System Office.

IV. Entitlement to Contributions. There is no automatic entitlement for any individual employee, position, or group of positions to contributions under the provisions of this regulation. All such 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. Further, contributions are subject to availability of institutional funds and no contribution shall be accomplished 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 of same.

V. Source of Funds. Contributions under this regulation may be made with any source of funds which may be state or non-state appropriations if the funding source permits an expenditure for this purpose.

VI. Vesting Period. Immediate vesting or a specified vesting period, not to exceed five (5) years, must

be identified for each eligible employee and their account approved for participation under the provisions of this regulation and shall be communicated to the employee at the time of the initial contribution.

VII. Administrative Procedures. Contributions under this regulation may only be made to the applicable qualified executive retirement plan administered by the UNC System Office using forms and procedures established by the Plan Administrator. These forms and procedures will be provided to each constituent institution's chief human resources officer upon request.

VIII. Other Matters.

A. Effective Date. The requirements of this regulation shall be effective September 1, 2024.

B. Relation to State 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.

¹ UNC Board Resolution - Delegated Authorities Regarding the Senior Administrative Officer and Senior Athletic Employee Retirement Programs, adopted April 7, 2022.