

### **Regulation for Deferred Compensation for Chancellors**

I. The Board of Governors, pursuant to its authority to fix the compensation of the chancellors of the constituent institutions,<sup>1</sup> has authorized the participation of each chancellor in deferred compensation in the form of annual contributions to a qualified retirement plan to encourage the chancellors' continued service to their respective institutions and the University of North Carolina (UNC) System. Contributions may be made only upon the recommendation of the president, subject to final review and approval by the Committee on University Personnel.

A. Contributions shall not exceed ten percent (10%) of base salary paid in any year and must derive solely from non-state funding sources.

B. Any contribution is voluntary, and contributions may be suspended or discontinued at the discretion of the Board of Governors or the president.

C. Contributions shall not be made in any year in which the funds identified are insufficient to support the contribution.

D. The president shall specify the vesting period that will apply to the contributions, not to exceed five (5) years.

II. The president may direct additional discretionary contributions to the plan derived from any chancellor incentive compensation. Chancellors will be immediately vested in these additional discretionary contributions and funding for these contributions can be made from any eligible sources of funds, which may be state or non-state appropriations, as long as the funding source permits an expenditure for this purpose.

III. 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.

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<sup>1</sup>G.S. 116-11(4); Section 500 B of *The Code*.