

**General Administration**

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**Constituent Universities**

- Appalachian State University
- East Carolina University
- Elizabeth City State University
- Fayetteville State University
- North Carolina Agricultural and Technical State University
- North Carolina Central University
- North Carolina State University at Raleigh
- University of North Carolina at Asheville
- University of North Carolina at Chapel Hill
- University of North Carolina at Charlotte
- University of North Carolina at Greensboro
- University of North Carolina at Pembroke
- University of North Carolina at Wilmington
- University of North Carolina School of the Arts
- Western Carolina University
- Winston-Salem State University

August 30, 2017

**Memo:** Chief Financial Officers  
 Chief Human Resource Officers

**FROM:** Matthew S. Brody, Vice President for Human Resources  
 Nate Knuffman, Vice President for Financial Planning and Analysis



**SUBJECT:** S.L. 2017-57, Sec. 35.16 Payout of Bonus Leave

The Appropriations Act of 2017 (SB 257) became law (SL 2017-57) on June 28, 2017 and is effective July 1, 2017. The Act allows State agencies and the University to offer employees the opportunity to cash in bonus leave benefits that have accrued to date.

Each institution needs to carefully weigh their respective potential bonus leave liability to determine whether to participate in this process and to what extent as the State has not allocated funds for this purpose in the 17-19 biennium. For institutions who participate in this buyout opportunity, the following specific guidelines should be followed.

<b>Guideline</b>	<b>Considerations</b>
Payout Limits	<ul style="list-style-type: none"> <li>• If participating, any payout limits would be institution specific – i.e. set a payout minimum, a payout maximum, and whether to pay set amounts or variable amounts based on employee elections</li> </ul>
Employee Eligibility	<ul style="list-style-type: none"> <li>• Must have a current bonus leave balance</li> <li>• Must be a leave earning employee who would be eligible for leave pay out upon separation from employment</li> <li>• No restrictions on current employee status such as worker's comp, leave of absence, disability, active disciplinary action, etc.</li> </ul>
Funding	<ul style="list-style-type: none"> <li>• Can use any existing funding sources which permit payout of leave</li> </ul>
Benefits and Payout Calculation	<ul style="list-style-type: none"> <li>• Leave payout is subject to retirement and statutory taxes</li> </ul>

**Constituent High School**

- North Carolina School of Science and Mathematics

	<ul style="list-style-type: none"> <li>Bonus leave must be paid out at current <u>annual salary</u> on the same basis as a regular vacation leave payout calculation</li> </ul>
Deadline	<ul style="list-style-type: none"> <li>Any bonus leave payout must occur <b>by June 30, 2019</b></li> <li>Other internal deadlines to administer this bonus leave payout are at the discretion of the constituent institution</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>Required to report demographic information to GA Human Resources and Fiscal Research by <b>September 1, 2019</b></li> <li>GA is working with OSHR to further define specific reporting requirements</li> </ul>
Enrollment	<ul style="list-style-type: none"> <li>Institutions will have to provide for a process to capture the employee election requesting any bonus leave payout; the details of this process are at the discretion of the institution</li> </ul>

Reporting to

Please submit a report to Lauren Gamber Partin in GA Finance that contains the following information by May 31st of each fiscal year: employee name, annual salary, bonus hours paid out, dollar amount of payout (including associated benefits), and funding source (State vs. non-State).

Report for Shared Service Institutions

The GA HRIS team developed a script for shared service institutions. The script can be run by the institution’s IT team to produce the report that can be used to evaluate bonus leave liabilities. The report will include balances, salary info, and funding sources.

The script, with corresponding instructions, was shared with your Leave Administrators in early April. However, non-shared service participating institutions will have to evaluate their bonus leave liabilities independently and establish institution specific processes.

NC School of Science and Math and UNC Healthcare

The NC School of Science and Math will follow the guidance provided within this memo for consideration of participation in the bonus leave payout. Additionally, UNC Healthcare employees were not eligible for the bonus leave and therefore are not included in any payout.

Questions

If you have any questions regarding these guidelines, please contact Ashley Nicklis, University Benefits Director at 919-843-4869,

[atnicklis@northcarolina.edu](mailto:atnicklis@northcarolina.edu) or Lauren Gamber Partin, Director of Budget and Business Enterprises at 919-962-3697, [lgpartin@northcarolina.edu](mailto:lgpartin@northcarolina.edu).

cc: Benefit Managers  
Budget Officers