



University of California, Riverside –Local Procedure

Hiring Bonus Program

May 2022

I. Summary

This Hiring Bonus Program (HBP) authorizes granting hiring bonuses to external candidates hired into eligible positions (see **Eligibility** section below) as part of the University's hiring offer. Hiring bonuses support the University's objective to attract talented external candidates. The hiring bonus—a non-base building cash payment—is intended to make the hiring offer market-competitive and to assist in securing the candidate's acceptance of the offer.

A hiring bonus cannot be used in place of a relocation payment, which is intended to offset a portion of the candidate's costs associated with accepting the University's employment offer and relocating.

The Hiring Bonus Program will be reviewed on an annual basis.

II. Related Policies and References

- A. [PPSM-20: Recruitment](#)
- B. [PPSM-21: Appointment](#)
- C. [PPSM-30: Compensation](#)
- D. [Local Procedure 20: Recruitment](#)
- E. [Local Procedure 21: Appointment](#)
- F. [Local Procedure 30: Compensation](#)
- G. [Local Procedure 650-32: Moving and Relocation Expense Reimbursements for Staff Employees](#)

III. Definitions

- A. **Difficult to Fill** - Positions that have been unable to be filled after prolonged and extensive recruitment efforts to attract market-competitive candidates and/or positions requiring a specialized skill set/knowledge.
- B. **Represented Positions** – All positions exclusively represented by a union are subject to the provisions of the relevant collective bargaining agreement.
- C. **Non-Represented Positions** – All positions that are policy-covered and are not subject to the provisions of the relevant collective bargaining agreement.
- D. **Limited Appointment** – A limited appointment is an appointment established at any percentage of time, fixed or variable, during which the appointee is expected to be on pay status for less than 1,000 hours in a 12-month period.
- E. **Contract Appointment** – An appointment established at a fixed or variable percentage of time for up to a four-year duration. Refer to policy [PPSM-21: Appointment](#) for additional information.

- F. **Career Appointment** - An appointment established at a fixed or variable percentage of time at 50 percent or more of full-time, which is expected to continue for one year or longer. A career appointment may be established through conversion from a limited appointment, per Section III.A.5 of [PPSM-30: Compensation](#)
- G. **Period of Service** – The period of time that employee is required to remain in the position in order to be eligible for the hiring bonus as determined by the Organization (reference section VIII: Payment of Hiring Bonus).
- H. **Probationary Status** - All professional and support staff employees who hold career appointments shall serve a probationary period during which time their work performance and general suitability for University employment shall be evaluated in writing. Refer to policy [PPSM-22: Probationary Period](#) for additional information.
- I. **Good Standing** – Not on a Performance Improvement Plan (PIP); have not had documented disciplinary issues in the last 12 months.

IV. Purpose of Hiring Bonus

- A. Attract candidates for difficult-to-fill (as described above) or specialized knowledge or skill set positions and/or after unsuccessful recruitment efforts to attract market-competitive candidates.
- B. Attract a larger qualified applicant pool with the goal of hiring the best qualified candidate.
- C. Make UCR more competitive in the labor market, to include competing with offers under consideration by the prospective candidate.
- D. Compensation (e.g., deferred compensation, annual incentive) that the candidate may be forfeiting in leaving their current position.

V. Amount of Hiring Bonus

Total hiring bonus amount cannot exceed a maximum of 10% of the starting annual base salary. If both a hiring bonus and relocation payments are offered, the combined total cannot exceed 20% of the starting annual base salary.

Before offering a hiring bonus, the hiring manager shall document the business justification for the hiring bonus based on the above assessment and confirm that the justification and the bonus amount are consistent with local practice. The hiring manager will also obtain the appropriate approvals (see **Approvals** section below) prior to offering a hiring bonus.

VI. Eligibility

Current vacant full or part-time Professional and Support Staff (PSS) and Managers and Senior Professionals (MSP) positions; represented and non-represented roles and/or groups where positions are difficult to fill. Career, Contract, and Limited positions are eligible when a competitive recruitment is conducted. Recipients must agree to work in the position for an agreed-upon Period of Service.

Candidates ineligible for this program are individuals who are currently employed by UC Riverside or any other UC location, and who have been employed by the UC system during the 12-month period preceding the proposed rehire date and who do not meet additional eligibility requirements per Eligibility section below.

VII. Funding

Hiring bonuses are funded by the requesting department/organization. Allowable unrestricted funding

sources must be utilized for hiring bonus payouts. If other funding sources are identified, you must have the explicit approval of the UCR Campus Controller's office.

VIII. Payment of Hiring Bonus

Hiring Bonus payments are at the discretion of the hiring department in consultation with the organization and must be processed through the payroll system. Payments are considered taxable income and are subject to withholding. For compensation purposes, Hiring Bonuses are non-base building. The Hiring Bonus payments are payable in either a one-time payment or as installment payments. Below are examples of hiring payment options. Payment should happen in either one or two installments, paid over a period of service not to exceed 12 months.

Hiring Bonus provisions must be detailed in the offer letter. See offer letter templates on the [Talent Acquisition website](#) or in the Appendix for more assistance.

- A.** Example of One-Time Payment: Employee is awarded a hiring bonus after staying in their position for a period of service, such as 3 months. The full amount is owed and payable at 3 months.
- B.** Example of Installment Payments: Employee is awarded a hiring bonus after staying in their position for a period of service, such as 6 months. The first half is owed and payable at 3 months and the second half is owed and payable at 6 months.
- C.** Example of One-Time Up-Front Payment: Employee is awarded a hiring bonus prior to completion of period of service.

When a bonus payment is tied to probation, it will be paid out upon successful completion of probation. If a recipient separates from the position prior to the entire bonus being paid out, all future installment payments will be forfeited. It is recommended that hiring bonuses be paid out upon completion of the agreed upon period of service, as outlined in the offer letter, to avoid repayment.

Payments for Hiring Bonus must use the sign-on bonus earn code (SBO).

IX. Re-Payment of Hiring Bonus

Re-payment provisions must be detailed in the offer letter. See offer letter templates on the [Talent Acquisition website](#) or in the Appendix for more assistance.

X. Documentation/Tracking of Hiring Bonus

Hiring Departments will maintain their approvals and documentation. Hiring Bonus requests submitted by the Department's Human Resources Partner will be documented through Smartsheet, a system implemented by UCOP.

XI. Approval Process

A. Blanket Approved

- A blanket approval is an approval to offer a hiring bonus specific to a group of position classifications.
- Blanket approvals are an exception to the hiring bonus program. A blanket exception request must be submitted via email to the Director of Talent Acquisition for review and consultation with Employee & Labor Relations and Compensation, and then submitted to UCOP Systemwide Talent Management for approval. The blanket exception requests proposal must be reviewed and approved by Executive Director of Systemwide Talent Management the VP of Systemwide HR.
- The blanket approval must be obtained prior to the position being posted in order for the bonus language to be included in the job posting for the positions.

B. Individual Employee

- An individual employee approval is an approval to offer a hiring bonus specific to an individual for a position.
- Organizational unit approval is required to initiate the hiring bonus process.
- Department Human Resources Partner submits the request for approval through Smartsheet which is routed through Central Human Resources/Talent Acquisition and submitted to UCOP for final approval.
- The Human Resources Partner will be notified of the approval via Smart Sheet.

XII. Responsibilities Per Workflow

- A. Hiring Manager** - Documents the business justification for the hiring bonus and confirms that the justification and the bonus amount are consistent with local practice. Forwards the request to the Department/Organization Chief Financial and Administrative Officer.
- B. Department/Organization Chief Financial and Administrative Officer** – Reviews the hiring bonus request and verifies that funding is available. Approves the request and forwards to the Dean/Vice Chancellor for review and approval.
- C. Dean/Vice Chancellor (or designee)** – Receives approved bonus requests for review and approval. Submits to the Human Resources Partner.
- D. Human Resources Partner** – Receives approved bonus request. Ensures departmental and organizational approvals obtained. Submits the bonus request via Smartsheet to the Associate Vice Chancellor, Human Resources for review and approval.
- E. Associate Vice Chancellor, Human Resources** – Reviews, approves, and forwards the hiring bonus request via Smartsheet to Systemwide Human Resources for review and approval. May delegate this responsibility. Responsible for reviewing exceptions to this local procedure.
- F. Director of Talent Acquisition** – When delegated, reviews, approves, and forwards the hiring bonus request via Smartsheet to Systemwide Human Resources.
- G. Employee & Labor Relations / Compensation** – Provides consultative support to the director of Talent Acquisition with review of blanket approval requests.

XIII. Exceptions

- A.** Exceptions to this procedure must be submitted to the Associate Vice Chancellor, Human Resources or designee and will be reviewed on a case-by-case basis.

APPENDIX

Hiring Bonus Sample Language

Example A:

As discussed, we are pleased to offer you a hiring bonus of [amount]. This bonus will be paid as a one-time payment on your regular paycheck, after you complete the period of service of [enter amount of period of service]. This hiring bonus is considered taxable compensation and subject to applicable tax reporting and withholding.

Example B:

As discussed, we are pleased to offer you a hiring bonus of [amount]. This bonus will be paid in [enter number of installments] installment payments on your regular paycheck, with a period of service of [enter amount of period of service]. The first payment of [amount] will be paid after [enter number of months of first period of service] months and the second payment of [amount] will be paid after [enter number of months of second period of service]. This hiring bonus is considered taxable compensation and subject to appropriate tax reporting and withholding.

If you separate from the position prior to the entire bonus being paid out, all future installment payments will be forfeited. [Include the following if applicable] If you separate from this position prior to completing the agreed upon period of service, you will be required to pay back a pro-rata portion of the hiring bonus payment. The amount of re-payment will be pro-rated based on the number of months you were in the bonus-eligible position.

Example C:

As discussed, we are pleased to offer you a hiring bonus of [amount]. This bonus will be paid as an advance, one-time payment on your regular paycheck, as soon as administratively possible, with an agreed upon period of service of [enter amount of period of service]. This hiring bonus is taxable, and all applicable payroll taxes will be withheld.

If you separate from the position prior to completing the agreed upon period of service, you will be required to pay back a pro-rata portion of the hiring bonus payment. The amount of re-payment will be pro-rated based on the number of months you were in the bonus-eligible position.