Guidelines for Awarding Bonus Payments for FY17

A bonus may be given to a faculty and staff member as a recognition and reward for an extraordinary contribution which substantially benefits a USM institution. A bonus does not increase the base salary and it can be given at any point in the fiscal year. The following guidelines apply to bonus plans that may be developed by institutions for FY 2017.

Examples of situations where a bonus will be given include a significant contribution and/or substantial accomplishment associated with:

1. Major projects or initiatives (e.g., system implementation or new program implementation),
2. Significant cost saving or cost avoidance realized beyond normally expected or established standards,
3. Extraordinary effort during times of critical need (e.g., meeting a critical deadline that could otherwise have an adverse impact on critical business operations or major project), or
4. Contribution that clearly and significantly contributes to the accomplishment of important and critical business operational goals, deliverables and/or timelines.

A bonus is not appropriate for:

1. Rewarding performance of ongoing, normal or regular job duties and responsibilities, or achievements that may be reasonably expected from a faculty or staff member. (These should be recognized as part of the annual performance and merit pay programs.)
2. Effort or work time that has no significant impact on a major project or initiative, or critical business need;
3. Recognizing a faculty or staff member’s long term service, loyalty or commitment;
4. Accomplishment of personal and career goals, skills and competencies, professional degree, or certification.

Eligibility

1. The awardee must be in active employment status (non-terminated) at the time the bonus is awarded,
2. The awardee shall not have received disciplinary actions in the past year, and
3. The awardee may not be rewarded twice for the same achievement.

Departments must apply judicious care when awarding a bonus in order to prevent any perceptions of favoritism or inequity. Departments must consistently and fairly apply the criteria and standards for awarding a bonus. Also, bonuses shall not be discussed with the intended recipients until all approvals have been obtained.

Bonuses will not be included in employee benefits-related calculations (e.g., retirement contributions).

This bonus payment plan is not part of any other award program, incentive plan under an employment contract, etc.

Procedures

• Institutional plans for awarding bonuses shall be provided by July 15, 2016. The plan must include the criteria for granting the bonus, the method for determining the amount of each bonus, and the approval process.
• A bonus for an individual in excess of 10% of his or her post-merit July 1, 2016 salary amount shall be submitted to the Chancellor in advance for review and approval. The request should include the awardee’s name, job title, amount of bonus, percent of awardee’s base pay, and reason for award.
• All bonuses paid in FY 2017 shall be reported on the Periodic Reports of Significant Salary Adjustments.
• Please send bonus plans, Periodic Reports of Significant Salary Adjustments, and requests for the Chancellor’s approval for bonuses in excess of 10% to HR Officer Tom Hoffacker at the USMO. (thoffacker@usmd.edu)

If you have any questions regarding this guidance document or reporting requirements, please contact Tom Hoffacker at 301-445-1967 or thoffacker@usmd.edu.

USMO-HR staff
May, 2016