



Student Affairs and Academic Support

Date: 06/02/2021

Re: Guidelines for Pay for Performance (PFP) and Bonus Awarding

1. PFPs cannot be awarded unless recurring funding is available and anticipated to be available in the unit's budget to support the permanent cost
 - Cost cannot be funded by an expectation of new resources or future fee increases
 - Cost cannot have negative impact on unit's operations
2. All units should recognize that future budget reductions are still a possibility and any recurring commitments should be considered in the context of future priorities and decisions
3. Bonuses or PFPs should only be considered for the **top 10 to 20%** of performers – *those that have performed at an exceptional level and are essential to the effective operations of the unit*
4. Bonuses or PFPs should represent a cross-section of all levels of the organization
 - They should not be awarded only to management staff or primarily to individuals at the top of the departmental organization chart
5. Bonuses or PFPs should represent a reasonable percentage of an individual's salary
 - Overall, bonuses should not exceed more than 5% and PFPs should not exceed more than 3% for management level employees unless there is a specific equity issue being addressed
 - Individuals with lower salaries may receive PFPs or bonuses greater than 5% (but typically no more than 10%) when appropriate given the relative dollars involved
6. Follow the University policy [HR 1.37](#) for awarding any pay for performance increases