

<b>Program:</b>	Employee Referral Program (ERP)
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<b>Contact:</b>	Melanie Carr
<b>Email:</b>	<a href="mailto:Melanie.Carr@ucop.edu">Melanie.Carr@ucop.edu</a>
<b>Phone #:</b>	510-987-0360

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## I. PROGRAM SUMMARY

The Employee Referral Program (ERP) provides discretionary cash awards to support organizational needs in the recruitment of top talent for difficult to fill and other designated positions within the University. This program provides authority and direction for locations to develop and administer a local ERP plan.

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## II. DEFINITIONS

Detailed information about common terms used within Personnel Policies for Staff Members (PPSM) can be found in [PPSM 2 \(Definition of Terms\)](#) and [PPSM 3 \(Types of Appointment\)](#).

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## III. PROGRAM TEXT

### A. General

The systemwide Employee Referral Program (ERP) provides hiring managers a tool to assist with recruiting top talent for difficult to fill and other designated positions within the University. Locations may implement local ERP plans in accordance with this document. Approval authority to implement a local ERP is delegated to the Chancellors, the Lawrence Berkeley National Laboratory Director, Medical Center Chief Executive Officers as authorized by the responsible Chancellor, and the Executive Vice President-Chief Operating Officer.

The plan year will correspond to the University’s fiscal year, beginning July 1 and ending the following June 30.

### B. Eligibility

Policy-covered career Professional and Support Staff (PSS) employees and Managers and Senior Professionals (MSP) Career Tracks Manager 3 and below and equivalent positions are eligible for ERP cash awards if, at the time of the award, they:

- Are an employee of the location with the referral program; and
- Are on active pay status or on an approved unpaid leave.

The following employees are not eligible for an ERP cash award:

- An employee in the Senior Management Group (SMG);
- An employee in the MSP above Career Tracks Manager 3 and equivalent positions;
- An employee who reports directly to the Regents (including in the Office of the General Counsel, Compliance/Audit, Secretary and Chief of Staff to the Regents, and the Office of the Chief Investment Officer);
- A Human Resources employee or designated departmental personnel representative; or
- An employee who holds a supervisory position and who has hiring authority within the reporting chain of the ERP award-eligible job opening.

ERP cash awards may not be provided for referral of former University of California (UC) employees with a break in service within 12 months of the plan year.

In addition, an ERP cash award will not be paid out for a recruitment that is utilizing a search firm.

An employee's receipt of an award under the ERP plan does not establish any right or guarantee that the employee will be eligible for or entitled to an award in any subsequent plan year.

Eligibility for represented employees will be determined by collective bargaining as appropriate.

## **C. Award Categories**

### **1. Cash Awards**

#### **a. General**

The University will not place restrictions or conditions on an employee's use of any cash awarded. For compensation purposes, cash awards are non-base building. When all program eligibility requirements are met, the ERP award will be processed immediately and paid no later than six months after the referred employee's date of hire. ERP awards must be paid through the payroll system, are considered taxable income and are subject to withholding.

Both the current employee and newly hired referred employee must be on pay status for at least 60 days at the time the award is processed to receive the cash award. ERP cash awards should be awarded as soon as possible after the timeframes described within this document in order to provide appropriate acknowledgement to employees. Locations may exercise the option to set lower cash award ceilings or fewer options, including regarding employee eligibility, than described in this document. This should be noted in the ERP local plan, as applicable.

#### **b. Award Levels**

##### \$4000 Award

Designated for vacant posted positions for which there is a very limited pool of qualified candidates nationwide. Local Human Resources, in collaboration with hiring managers, will designate eligibility for this award level on a position-by-position basis prior to posting the position.

#### \$2000 Award

Designated for vacant posted positions for which there is a very limited pool of qualified candidates. Local Human Resources, in collaboration with hiring managers, will designate eligibility for this award level on a position-by-position basis prior to posting the position.

#### \$500 Award

Designated for career appointment positions in job families that are currently and/or have historically been difficult to fill in accordance with the local ERP plan.

#### \$250 Award

Designated for all other vacant posted positions in accordance with the local ERP plan.

### **D. Award Limits and Restrictions**

The following limitations apply to ERP cash awards.

- Employees are eligible to receive no more than three ERP awards across all categories of awards in a plan year.
- No single ERP local plan cash award may exceed \$4,000.
- Cumulative ERP local plan cash awards paid to an employee in a plan year may not exceed \$8,000.
- ERP local plan cash awards are strictly discretionary and may not be promised or guaranteed in advance.

### **E. Treatment for Benefits and Regular Rate of Pay Purposes**

ERP cash awards are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan, the Defined Contribution Plan (DC) Supplement, DC Savings Choice, or employee life insurance programs.

Under the Department of Labor Regulations, ERP cash awards are not included in the recruiting employee's regular rate of pay because participation in the ERP is strictly voluntary; the recruiting employee's efforts in connection with recruitment activities should not involve significant amounts of time; and recruitment activities are limited to solicitation outside of work as part of the employee's social affairs.

### **F. Tax Treatment and Reporting**

Under Internal Revenue Service Regulations, payment of ERP cash awards must be included in the employee's income as wages subject to withholding for federal and state income taxes and applicable FICA taxes. Payment is reportable on the employee's Form W-2 in the year paid.

## G. Administration

Only local funds will be used for ERP Plan awards. The assigned Description of Service (DOS) code ERP, specific to the ERP program, must be used when paying awards to employees.

## H. Amendment and Termination

The systemwide ERP may be amended or terminated at any time for any reason. A Chancellor may suspend or terminate their location's local ERP plan at any time.

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## IV. COMPLIANCE/RESPONSIBILITIES

Local implementation and administration of the ERP will be consistent across the location. The CHRO will be the official designee to ensure consistency.

The Vice President-Systemwide Human Resources is accountable for reviewing the administration of the systemwide ERP to ensure compliance. The Vice President-Systemwide Human Resources will report the results of these reviews to the Executive Vice President-Chief Operating Officer and the President. At the conclusion of each annual local ERP plan, locations must submit an ERP report to Systemwide Human Resources with list of positions that qualify for ERP by award level, and data including name and ID number of employee that referred new employee, position referral type, department and the award category including amount issued.

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## V. PROCEDURES

Each location is accountable for establishing and monitoring procedures to ensure that local administration of the ERP is in compliance with this program document.

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## VI. RELATED INFORMATION

- [PPSM 2 \(Definition of Terms\)](#)
- [PPSM 3 \(Types of Appointment\)](#)

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## VII. REVISION HISTORY

January 18, 2022: First issuance