



Employee Referral Incentive Program

Guidelines Owner: System Human Resource Services

Approved by: President, Chancellors/VPs, and System Office Vice Presidents

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Scope

This policy applies to eligible employees in a paid position at the time of the application process and at the time of the payment.

Policy Statement

1. It is at the discretion of each university, the system office, and the hospital to participate in this program to offer an employee referral incentive for vacant staff positions.
2. A list of approved vacant positions and/or specific jobs is managed by System Human Resource Services, University Human Resource Offices, and Hospital Human Resources.
 - a. The respective Human Resources office will determine applicable jobs for the Employee Referral Incentive based on market demand studies and length of position openings at that University, the hospital or the System Office.
3. The Employee Referral Incentive provides eligible employees with lump-sum compensation that is outside of base salary or wages.
4. To be eligible for an employee referral incentive, the recipient must be an active status employee on the date the payment is processed.
5. The following individuals are not eligible for the employee referral incentive.
 - a. Any employee involved in the recruiting, including HR professionals, search committee members, and leadership within the reporting line of the hiring unit.
 - b. Immediate family members of the new employee, regardless of their role at the U of I System.
 - c. Other employees whose role is deemed a conflict of interest as determined by the appropriate university, hospital or system human resources office.
6. Tax treatment of incentive payments
 - a. Employee referral incentive pay shall not be grossed up to cover taxes.
 - b. Payment of the referral incentive is applicable to all required tax withholdings other than SURS as the payment is not considered payment for services.
7. Funding of the incentive payments
 - a. The hiring department is responsible for funding the Employee Referral Incentive payment.
 - b. The payment shall not be funded from contract or grant funds.

Reason For Policy

This policy provides University managers and supervisors with guidelines and procedures for an employee referral incentive program to supplement a department's recruiting effort.

University of Illinois Urbana Champaign managers, supervisors, and employees should refer to the [UIUC Employee Referral Program](#) guidelines for additional information.

Procedure

1. The Employee Referral Incentive Program is designed to assist a department's recruiting effort for hard-to-fill and high-demand vacant positions. The recruiting results should advance the University's employment goals and initiatives.
 - a. The Employee Referral Incentive Program is a system-wide program coordinated by System Human Resource Services and administered by each university and hospital human resources office.
 - b. A department must request and receive approval from system, hospital, or university human resources for specific vacant positions and/or jobs that would be eligible for the employee referral based on the guidelines and approval process at their university or system office.
 - c. The employee referral incentive payment will be a flat amount or percent of the final base salary as determined by each university HR or system HR office with a maximum payout of \$2,500.
 - d. The department must follow the appropriate approval process and obtain the required approvals.
 - e. Prior to any communication to employees and implementation of the incentive for a vacant position and/or job, final approval must be received from System HR or the respective university HR or hospital HR office.
2. The referred applicant must:
 - a. submit an application;
 - b. identify the referring employee within the application when applying for the position;
 - c. be hired in a position eligible for the referral incentive; and
 - d. not be a current University employee
3. The employee referral incentive payment is a one-time payment issued to the referring employee within 45 days of the new hire's first day of work (New Hire Date). The new hire must be in active status at the time of the referral payment.

General Guidelines

1. Eligible employees may receive more than one incentive payment for different positions per fiscal year if the referrals are hired and meet the program requirements.
2. The referred applicant must identify one eligible referring employee.
3. The employee referral incentive may not be split between multiple employees.
4. All employee referral incentive payments must be approved by System HR or the respective university Human Resources office before communicating the payment details to the employee.
5. Approved payments to employees should be initiated by the hiring unit through the HR Front End as a lump sum payment.
 - a. Attach the approval based on the appropriate university, hospital, or system office process.
 - b. Reference the eligible position number and applicant tracking requisition number.
 - c. Confirm that the required employee referral incentive requirements have been met.

Sanctions

Violations of university policies will be handled in accordance with applicable university policies and procedures which may include disciplinary actions up to and including termination from the University.

Resources

[UIUC Employee Referral Program Guidelines](#)

[UIUC Employee Referral Program Resources](#)

[System Office Employee Referral Program FAQs](#)

[Payroll Transaction Processing](#)

[Tax Information and Forms](#)

[Contact Information](#)