



## **New Hire Sign-On Incentive Program**

**Guidelines Owner:** System Human Resource Services

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

**Date Approved:** 05/8/2023

**Effective Date:** 05/08/2023

**Date Amended (most recent):** N/A

**Targeted Review Date:** 05/08/2024

**Contact:** [SystemHRServices@uillinois.edu](mailto:SystemHRServices@uillinois.edu)

### **Scope**

This policy applies to finalist candidates for eligible positions in the sign-on incentive program.

### **Policy Statement**

1. It is at the discretion of each university, the system office, and the hospital to participate in this program that allows departments, in accordance with this policy and applicable laws, to offer prospective employees a sign-on incentive payment for vacant positions in specific jobs that are hard to fill and in high demand or in instances where it enables a hiring authority to secure a hire.
2. System Human Resource Services, University Human Resource Offices, and Hospital Human Resources are responsible for establishing guidelines in accordance with this policy.
3. The new hire sign-on incentive program provides the finalist candidate for hire with a lump-sum sign-on incentive payment that is outside of base salary or wages.
4. To be eligible for a sign-on incentive payment, the recipient must:
  - a. Be hired into an approved position under the program.
  - b. Sign the offer letter that includes the sign-on incentive provisions.
  - c. Complete all pre-employment checks and have a satisfactory standing in accordance with applicable law and policy (e.g. criminal background check, reference checks, prior sexual misconduct check, etc.).
  - d. Serve in the position for a minimum of 12-months (involuntary or voluntary termination prior to 12-months may require reimbursement of the sign-on incentive payment).
5. Tax treatment of sign-on incentive payment
  - a. New hire sign-on incentive payment shall not be grossed up to cover taxes.
  - b. A sign-on incentive payment is subject to all applicable and required tax withholdings other than SURS as the payment is not considered payment for services.
  - c. Employees should seek personal advice related to any potential tax implications related to receipt of a sign-on incentive payment.
6. Funding of the sign-on incentive payment
  - a. The hiring department is responsible for funding the payment of a new hire sign-on incentive payment.
  - b. Sign-on incentive payments shall not be funded from contract or grant funds.

## Reason For Policy

This policy provides university managers and supervisors within the University of Illinois System with guidelines and procedures for a new hire sign-on incentive program to supplement a department's recruiting effort for hard-to-fill and high-demand vacant staff positions or in instances where it enables a hiring authority to secure a hire.

## Procedure

1. The new hire sign-on incentive program is designed to assist a department's recruiting effort for hard-to-fill and high-demand positions. The recruiting results should advance the University of Illinois System's overall employment goals and initiatives.
  - a. The new hire sign-on incentive program is a system-wide program coordinated by System Human Resource Services and administered by each university's human resources office and hospital human resources, as appropriate.
  - b. A department must request and receive approval from the appropriate central human resources office for specific vacant positions and/or jobs that would be eligible for inclusion in the new hire sign-on incentive program.
  - c. The new hire sign-on incentive payment may be a flat amount *or* percent of the final base salary as determined by System or University approval guidelines and procedures. The amount will be agreed upon by the hiring unit, university, system or hospital human resources, and additional senior leadership as deemed necessary by the applicable human resources office.
  - d. The department must follow the applicable approval process and obtain the required approvals prior to advertising that a position may be eligible for inclusion in the program or offering a prospective employee a sign-on incentive payment.
2. The new hire sign-on incentive payment is a one-time payment issued to the final candidate within 60 days of the new hire's first day of work (New Hire Date). The payment must be noted as a "Sign-On Incentive" in Banner.

## General Guidelines

1. New hires must complete all required pre-employment checks and required trainings before payment may be issued.
2. New hires receiving a sign-on incentive payment must remain actively employed for a minimum of 12-months or may be required to reimburse the unit for the gross amount of the payment, subject to adjustment for tax.
3. All sign-on incentive payments must go through the appropriate approval process before the payment details are communicated to the new hire.
4. Language regarding the sign-on incentive must be included in the offer letter.
5. Approved sign-on incentive payments to new hires should be initiated by the hiring unit..
  - a. Attach the signed offer letter.
  - b. Reference the new hire sign-on incentive program eligible position number and applicant tracking requisition number.
  - c. Confirm that the required new hire 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

[Payroll Processing Schedule](#)

[Tax Information](#)

[Contact Information](#)