

**The University of California  
Staff Appreciation and Recognition Plan**

**PROPOSED PLAN 12/16/2011**

**Plan Purpose**

This Staff Appreciation and Recognition Plan (the “STAR Plan”) is governed by Personnel Policies for Staff Members 34 (Incentive and Recognition Award Plans – Managers & Senior Professionals and Professional & Support Staff), and sets forth the requirements for all University cash recognition awards. Cash recognition awards are discretionary and may be awarded to employees for the purpose of recognizing and rewarding excellence in University service; recognizing and rewarding significant achievements and contributions; and recognizing and rewarding outstanding individual and team performance. Cash awards are non-base building. (Employee non-cash awards and other gifts, including gift cards and gift certificates, are regulated under UC Business and Finance Bulletin No. G-41.)

**Plan Oversight**

Development, governance and interpretation of the STAR Plan will be overseen by an independent Administrative Oversight Committee (AOC) comprised as follows:

- The Senior Management Advisory Committee
- The Vice President – Human Resources
- The Executive Director – Compensation Programs and Strategy

**Plan Approval**

Once approved by the President, the STAR Plan may be implemented at locations at the discretion of the Chancellor. The STAR Plan will be subject to annual review conducted by the AOC. It will be implemented each year by participating locations upon the approval of the AOC if no substantive or material changes are being recommended. If the AOC recommends any substantive or material changes to the STAR Plan, the AOC will obtain the approval of the President before implementing such changes. Reasonable efforts, given all circumstances, will be made to delay implementing substantive or material STAR Plan changes until the end of the current Plan year.

A location may implement a local version of this Plan Document (“Local STAR Plan Document”) instead of this Plan Document, provided that the AOC has approved the Local STAR Plan Document prior to implementation. A Local STAR Plan Document may reflect any modifications permitted under the STAR Plan but must otherwise be consistent with this Plan Document.

**Plan Year**

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

**Plan Eligibility**

Eligibility for cash awards under the STAR Plan is outlined below. ***Senior Management Group (SMG) members are not eligible for any awards under the STAR Plan.***

Policy-covered career PSS employees and MSP employees are eligible for STAR Plan cash awards if, at the time of the award, they:

- Have successfully completed their probationary period, if applicable;
- Are on active pay status or on an approved unpaid leave; and,
- Received a “meets expectations” or better overall rating on their most recent annual performance evaluation. (PPSM 23 requires that written performance evaluations be completed annually.)

## **The University of California Staff Appreciation and Recognition Plan**

Employees who have not yet received an annual performance evaluation may be eligible for an award if their manager confirms on the nomination form that they are “meeting expectations.”

Policy-covered employees in contract, per-diem, limited, floater, and/or casual-restricted appointments will only be eligible to the extent allowed by local STAR guidelines and, if applicable, the location’s Local STAR Plan Document.

Exclusively represented employees are eligible for recognition awards under the Plan if the applicable collective bargaining agreement authorizes participation in the STAR Plan.

An employee may not receive an award under the STAR Plan if the employee is a participant in an incentive award plan that prohibits the receipt of a recognition award.

An employee’s receipt of an award under the STAR 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.

### **Performance Standards**

Under the STAR Plan, managers are able to recognize, acknowledge and reward employees for exceptional performance and/or significant contributions related to and supportive of individual, departmental, divisional, and/or organizational goals and objectives. Managers may acknowledge and reward individuals and teams demonstrating:

- **Exceptional performance:** Demonstrated and sustained exceptional performance that consistently exceeds goals and work expectations in quantity and/or quality.
- **Creativity:** One-time innovation or creation that results in time/dollar savings, revenue enhancement, and productivity improvement; and/or ongoing innovative/creative activities that benefit organizational systems, protocols, and/or procedures.
- **Organizational abilities:** Exhibiting extraordinary skills in leadership resulting in the accomplishment of significant departmental or divisional goals and objectives; effective project management, which could include developing a project and/or implementing a project with substantial success; and/or demonstrating organizational capability leading to a greater level of effectiveness.
- **Work success:** Significantly exceeding productivity, customer service, quality of care or similar goals, including demonstrating superior interactions with managers, peers, supervisors, subordinates, the University community, and/or clients and customers served.
- **Teamwork:** Acting as an exceptionally effective and cooperative team member or team leader for a team that has significantly exceeded the goals/objectives of the department/unit.

STAR Plan cash awards should be awarded as soon as possible after the accomplishment or event in order to provide immediate recognition to employees.

### **Award Limits and Restrictions**

The following limitations apply to STAR Plan cash awards. Locations may impose further limitations in their local STAR Plan guidelines or, if applicable, their Local STAR Plan Document.

- No single STAR Plan cash award may exceed 10% of the employee’s base salary or \$10,000, whichever amount is lower.
- Cumulative STAR Plan cash awards paid to an employee in a Plan year may not exceed 10% of the employee’s base salary or \$10,000, whichever amount is lower.

**The University of California  
Staff Appreciation and Recognition Plan**

- STAR Plan cash awards are strictly discretionary and may not be promised or guaranteed in advance.
- “Across-the-board” type awards (e.g., awards to a category of employees without regard to a recipient’s performance or relative contribution) are not allowed under the STAR Plan. Awards must be based on the recipient’s achievement as an individual or as part of a team.

Exceptions to the above monetary award limits will not be made except in rare circumstances and will require the prior approval of the AOC and the President. Recommendations for an award that would be an exception to these limits must be submitted in writing to the AOC and include a compelling justification for making the exception.

**Administrative Provisions, Requirements and Procedures**

Whether the STAR Plan will be implemented at a location will be subject to the Chancellor’s discretion. If implemented, it will be locally funded at a level determined by the Chancellor. The assigned Description of Service (DOS) codes specific to the STAR Plan **must** be used when paying awards to employees. These codes are: XSC for cash awards that are funded through a central pool and XSL for cash awards that are not funded through a central pool.

If the STAR Plan is implemented at a location, the Chancellor or a designated officer/committee will establish local guidelines for administering STAR Plan cash awards. Those guidelines may either be set forth in an addendum to this STAR Plan document or, if applicable, the location’s Local STAR Plan Document that has been approved by the AOC. Local implementation and administration of the STAR Plan will be consistent across the location, and the office of the Chief Human Resources Officer (CHRO) will be the official designee to ensure consistency. The local administration guidelines will include instructions, procedures, and forms required for administering the STAR Plan locally and must be approved by the AOC prior to implementation. The local STAR Plan guidelines will specify:

- The nomination, review, and award approval processes. The process for individual STAR Plan cash awards at \$500 or more will require supervisor/manager nomination and department head approval. The process for individual STAR Plan cash awards at \$5,000 or more will also require the approval of the Chancellor or his or her designate. Nomination forms developed and utilized by the location for STAR Plan cash awards will be attached to the local guidelines. Nomination forms will indicate the performance requirements and/or accomplishments necessary to support the award request and will be consistent with the Performance Standards section, above, of the STAR Plan.
- Any local eligibility requirements. (Local eligibility requirements may not be more generous or less restrictive than those set forth in the Plan Eligibility section above.)
- Where employees should direct any questions regarding local administration of the STAR Plan.

If the STAR Plan is not implemented at a location, the location would not develop local administration guidelines, and the location’s employees would not be eligible for STAR Plan cash awards or any other cash awards.

On or before April 1, participating locations are required to provide their proposed local STAR guidelines and any related forms for the upcoming Plan year to the Executive Director – Compensation Programs and Strategy, who will submit them to the AOC for review and approval.

**The University of California  
Staff Appreciation and Recognition Plan**

The Senior Vice President–Chief Compliance and Audit Officer will assure that periodic audits will be performed to ensure that locations are in compliance with the STAR Plan.

The STAR Plan may be terminated or replaced at any time for any reason by the President.

**Treatment for Benefit Purposes**

STAR Plan cash awards are not considered to be compensation for University benefit purposes, such as the University of California Retirement Plan or employee life insurance programs.

**Tax Treatment and Reporting**

Under Internal Revenue Service (IRS) regulations, payment of STAR Plan 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.