



TO: Regents Governance Committee

FROM: Felicity O'Herron
Lisa Landis
Erica Weston

DATE: August 22, 2024

RE: Proposed Recission of Regent Policy 11.D: Deferred Compensation Prohibited

This item proposes rescinding Regent Policy 11.D, which prohibits deferred compensation.

This policy was adopted in 1991, in part due to a shift in tax regulations at that time. As a result of the shift, the board viewed deferred compensation as less valuable to the employee and more administratively burdensome to the university.

More recently, however, the board has recognized that it is in “the best interests of the university to provide the maximum amount of flexibility to the administration to offer opportunities to defer compensation and invest income for retirement, within state and federal law, in recruiting employees.” See Board of Regents Minutes, June 22, 2018.

Additionally, Regent Policy 11.D, by broadly prohibiting “deferred compensation,” could be interpreted to include the university’s retirement plans, which it was never meant to prohibit.

Under Regent Policy 2.N, this proposed recission will be discussed by the Governance Committee on August 22, 2024; will be noticed publicly to the full board on September 12-13, 2024; and will be further discussed by the Governance Committee at its October 24, 2024, meeting. Accordingly, the proposed recission could be considered at the November 7-8, 2024, Board of Regents meeting.