

# BUSINESS & FINANCE

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## Policies & Procedures

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## 4.3.2 Process Payments for Employment-Related Agreements

### Policy Statement

Employment-related agreements are executed under limited circumstances according to various university policies. These agreements include payments for any of the following:

- Payments not related to services performed, such as:
  - Severance/Resignation/Retirement Agreements
  - Continuation of service
  - Liquidated damages related to employment
- Lump sum payments (e.g. bonuses) received by an employee that are related to services rendered for a specific period of time that exceeds one academic year.

Only fully-executed agreements, bearing the appropriate approvals, are processed by University Payroll and Benefits (UPB). These payments are not subject to SURS withholding; however, all such payments are subject to federal and state income tax and Medicare/OASDI withholding (if applicable).

### Procedure

To process a payment for an employment-related agreement:

1. Central Human Resources loads the executed Final Agreement into Web Xtender/BDMS (doc type: Agreement).

2. Unit submits an adjustment to University Payroll & Benefits (UPB), using the PARIS web application.

- Use "Agreements/Settlement" at

[Initiating a Prior Underpayment Adjustment \(PUA\) Job Change](#)

- [for Monthly Employee](#)  
(monthly)

[University of Illinois Training and Development Resources](#)

- [Search Results](#)  
(biweekly)

3. When UPB receives the PARIS underpayment adjustment (PUA) and is able to review the signed fully-executed agreement in Web Xtender, UPB will validate the earn code to ensure proper withholding as instructed by the agreement; ensure memos have been added and will process accordingly.

#### 4.2.1 Submit Employee Work Time

#### 4.2.2 Report Tip Income

#### 4.3.1 Adjust an Employee's Pay (Underpayments)

#### 4.3.2 Process Payments for Employment-Related Agreements

#### 4.3.3 Process Employee Recognition Awards

#### 4.3.4 Correct Payroll Overpayments

#### 4.3.5 Submit Taxable Fringe Benefit Payments

#### 4.3.6 Process Payroll Separation

## Related Policies and Procedures

[4.3.1 Adjust an Employee's Pay \(Underpayments\)](#)

[4.3.3 Process Employee Recognition Awards](#)

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## Business and Finance

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