



EXECUTIVE COMPENSATION IN HIGHER EDUCATION: TAX ISSUES AND OPPORTUNITIES

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Overview

Executive compensation is an important component of recruiting and retaining talented leaders to lead your institution.

Overview

- Initial considerations
- IRC Section 4960 excise tax
- Other key tax issues and opportunities, including enhanced deferral opportunities and fringe benefits

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Initial Considerations

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Initial Considerations: What is Executive Compensation?

- Remuneration provided to senior level management and executive leaders within a college or university
- Executive compensation includes salaries, incentives, deferred compensation, benefits and perquisites
- Executive compensation is often a negotiation between the employee and the college or university

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Initial Considerations: Applicable Laws

- State laws
- Federal laws, including:
 - Restrictions relating to incentive compensation
 - Rules specific to physician compensation
 - ERISA
 - Tax

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Initial Considerations: Governance

- Board of Trustees bylaws and rules
- Institutional policies
- Compensation philosophy

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