Policy Statement

Policy Title: Referral Award Pay Differential

Source: Human Resources

Effective Date: January 1, 2008

Approved By: William Robinson, Deputy Director

Replaces: None

Applies to: All State Personnel and Supervisors of State Personnel

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A. Introduction

B. Definition
A referral award is a non-base building lump sum that may be granted to a current employee for the referral and subsequent hire of a new employee into the Department of Military & Veterans Affairs where the position requires a unique, specialized skill and there is a documented shortage in the labor market and recruitment or retention difficulty at DMVA. Employees who influence or are responsible for hiring and those performing recruitment as part of their regular assignments are ineligible, such as human resource professionals, hiring supervisors, or managers.

C. Policy
Referral awards apply only to current employees, are non-base building, not included as salary in determining overtime pay, and are not eligible for PERA contributions. The award may not exceed $500 per employee eligible for referral award. The award will be paid in two equal installments—the first payment is made with the next regularly scheduled payroll after the new employee reports to work, and the second payment will be paid upon successful completion of the new employee’s probationary period (one year).

D. Procedures
- Determine if position qualifies for a Referral Award Pay Differential.
- Prepare a memorandum to your Division Head with justification for a Referral Award Pay Differential and explanation of where and how this differential will be funded.
- Complete the Referral Award Individual Agreement, refraining from acquiring the employee’s signature until all approval signatures have been received.
- Submit all documentation to the Human Resource Director for presentation to the Appointing Authority.
Upon approval and signatures from the Appointing Authority, arrange a meeting with the referring employee to discuss and obtain the employee’s signature on the Individual Agreement. Return all documents to Human Resources for processing.

- Human Resources will file the original agreement in employee’s personnel file.

E. Compliance
Department of Military & Veterans Affairs
Referral Award Individual Agreement

The Department of Military & Veterans Affairs agrees to pay a referral award to the employee listed below for recruiting a new employee, outside of the State system, in a documented difficult recruitment/retention area. This award shall be made to the employee in two equal payments. The first within the first month of the new employee’s hire date, and the second after successful completion of the probationary period (not to be less than one year). Regular personnel rules and procedures apply. The employee understands that the award is not part of base pay and will be paid through regular payroll, and is not included in salary calculations for retirement (PERA) and overtime purposes, if non-exempt. It is further understood that the referral award, in combination with base pay, cannot exceed the statutory lid which may necessitate paying the award in monthly installments. The entire referral award is forfeited if the recruited employee fails to report to work, is no longer in the position to which hired, or performance is not satisfactory.

It is understood that no aspect of this bonus is grievable or appealable, except for discrimination.

Employee Name: ____________________________________________

Employee Position Title: ___________________________ Position Number: _____

Recruited Employee Name: _______________________________________________________

Recruited Employee’s Position Title: ___________________________ Position Number: _____

The entire award is: $____________________________________________________________

The referral award will be paid in two equal payments:

• $__________(50%) of the bonus will be paid on _________________________(the first regularly scheduled pay date after recruited employee begins); and

• $__________(50%) of the bonus will be paid upon successful completion of the recruited employee’s probationary period (minimum of one year).

The Referral Award shall be paid out of account: ________________________________

The terms and conditions have been discussed with the employee. The employee understands and agrees to these terms and conditions.

____________________________  ____________
Supervisor Signature                                                     Date                                Controller’s Signature

____________________________  ____________
Division Administrator Signature                                 Date                                Appointing Authority Signature

____________________________  ____________
Budget Administrator Signature                                    Date                               Candidate Signature