Policy Statement

Policy Title: Signing Bonus 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

A. Introduction

B. Definition
A signing bonus is a non-base building lump sum that may be used to attract new employees to the Department of Military & Veterans Affairs to fill positions in critical occupations where there is a documented shortage in the labor market and recruitment or retention difficulty in the agency that jeopardizes its mission; or the applicant possesses a unique, critical skill in relation to the job market.

C. Policy
DMVA will limit signing bonuses to a maximum of $1,000 and will be non-base building. Payment of signing bonuses will be made in two separate payments. Fifty percent of the signing bonus will be paid in the first pay period of employment. The other half will be paid upon certification of the employee (one year). Employees receiving a signing bonus must sign a written agreement that specifies no PERA contribution will be made on the signing bonus, that the signing bonus cannot be used for computing overtime pay, and allows for forfeit or repayment if the employee leaves prior to completion of one year of service.

D. Procedures
- Determine if position qualifies for a Signing Bonus Pay Differential.
- Prepare a memorandum to your Division Head with justification for a Signing Bonus Pay Differential, possible impacts on current departmental employees, and explanation of where and how this differential will be funded.
- Complete the Signing Bonus 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, discuss the compensation package as well as the Signing Bonus terms and conditions with the potential employee, and obtain candidate’s signature. Return all documents to Human Resources for processing.

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

E. Compliance
The Department of Military & Veterans Affairs agrees to pay a signing bonus to the employee listed below for accepting the position as indicated. This bonus shall be made to the employee in two equal payments. The first within the first month of hire, and the second after successful completion of the probationary period. Regular personnel rules and procedures apply. The employee understands that the bonus 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 signing bonus, in combination with base pay, cannot exceed the statutory lid which may necessitate paying the bonus in monthly installments. The second payment is forfeited if the 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: _____

Department: ________________________________________________________________

The entire bonus is: $____________________________________________________________

The signing bonus will be paid in two equal payments:

- $__________ (50%) of the bonus will be paid on ___________________________(the first regularly scheduled pay date after employment begins); and

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

The Signing Bonus 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            Date
________________________________________  ____________
Division Administrator Signature          Date                        Appointing Authority Signature      Date
________________________________________  ____________
Budget Administrator Signature            Date                        Candidate Signature                Date