

Sign-On and Retention Bonus Policy

Policy History

Date	Brief Description of Change
September 1, 2008	New Policy outlining provisions for implementing a sign-on bonus when such funding is approved by the General Assembly.
December 1, 2016	Revision due to a more defined method in identifying appropriate factors used in determining usage justification within the organization. A more current eligibility description, tracking process for payments and adjusted payout period that matches marketplace. Funding determinant transfer from General Assembly to Office of the State Budget & Management.
April 14, 2022 (effective 06-01-2022)	Added capability for retention bonuses. Adjustments to methods by which agencies can show the need for the bonus.
September 1, 2022	Added text providing that when a bonus is paid in installments, no more than two-thirds of the total bonus may be paid in the first installment. Clarified text about repayment. Clarified that bonuses are not mandatory and not a condition of employment. Added details to reporting.
December 8, 2022 (effective 02-15-2023)	Modified the first retention bonus situation to allow retention bonuses to be provided to a classification without a parallel sign-on bonus. Also modified policy to have the 24-month limitation on bonuses not apply if the retention bonus was less than \$2,500. Added requirement for agencies to report to OSHR, in an electronic format, the dates of bonuses and the repayment periods that the agencies set.
April 20, 2023	<ul style="list-style-type: none"> • On page 2, removed “during a period in which the agency is offering a sign-on bonus as a recruitment incentive to attract qualified candidates” from the description of the first type of retention bonus. This change was made to be consistent with the change made to Retention Bonus Situation 1 in the December 2022 SHRC meeting, which made it optional under Retention Bonus Situation 1 for the agency to be offering a parallel sign-on bonus. • To go along with the existing language reading "A bonus over \$2,500 must be paid in at least two installments," a new

	<p>sentence was added to read, "Bonuses of \$2,500 or less may be paid in one installment." See page 10.</p> <ul style="list-style-type: none"> • Added language to the first bullet in Section 6 to clarify the 90-day minimum between installments is between all installments, not each installment. • Added language to identify what the period of consecutive service is for a bonus paid in one installment. This would be "between 3 months and 18 months, at the agency's discretion." • Added an additional sentence in Section 6 to clearly define that, for a bonus paid in multiple installments, the "period of consecutive service" is the total period of time between the first and last installment.
<p>April 18, 2024</p>	<p><i>Changes to strengthen approval requirements:</i></p> <ul style="list-style-type: none"> • Added to Retention Bonus Situation 1 (Retention Bonus for Positions in a Specific Job Classification) that agencies must request approval from OSHR, in writing, for any retention bonus programs that: <ul style="list-style-type: none"> ○ Include a team of 50 or more employees; or ○ Have a program that is expected to last more than one year. • Clarified in Retention Bonus Situation 3 (Retention Bonus Tied to a Special Initiative) that OSHR approval should occur prior to the approval by OSBM as required under page 4 of this policy • Added to Section 8, Agency Responsibilities, that agencies must receive advance approval from OSHR to administer a bonus program for a group of 50 or more employees. • Added to Section 8, Agency Responsibilities, that agencies must receive advance approval from OSHR to administer a bonus program under Retention Bonus Situation 1, "Retention Bonus for Positions in Specific Job Classifications," that is expected to last more than one year. • Added to Section 8, Agency Responsibilities the requirement to report annually to OSHR on the outcome, effectiveness, and continued benefit of bonus programs with data and recommendations when the agency would like the retention bonus program to exceed one year. <p><i>Changes to provide additional flexibility for agencies which will be funding the bonus through grant funds that must be paid out within a limited duration of time:</i></p> <ul style="list-style-type: none"> • Section 6, in the subsection entitled "Payment of Bonuses," was revised to add an exception when the agency will be funding the

	<p>bonus through grant funds that must be paid out within a limited period of time. In (and only in) this situation, the agency may pay in one installment a bonus of more than \$2,500, or the agency may pay more than two-thirds of the total bonus in the first of multiple installments. In these circumstances, the agency shall seek to use multiple installments to the extent reasonable given the constraints placed on the agency by the grant funding source.</p> <ul style="list-style-type: none"> • To match this proposed change, Section 6 was revised in the subsection entitled “Period of Consecutive Service.” The new language establishes that when the agency is funding the bonus through grant funds that must be paid out within a limited period of time, the agency may set the period of consecutive service to be longer than the time between installments. This alternative period of consecutive service, which must be between 3 and 18 months, must be stated in the repayment agreement. The period of consecutive service cannot be shorter than the time between installments. • Minor conforming changes were made to the portions of Section 6 entitled “Eligibility for the Final Installment” and “Repayment.”
May 30, 2024	<ul style="list-style-type: none"> • Policy is no longer designated as a pilot policy.
October 17, 2024	<ul style="list-style-type: none"> • Added a note to Section 2 on Retention Bonus Eligibility to clarify that If an employee is initially ineligible for a retention bonus due to a disciplinary action and that disciplinary action becomes inactive while the agency’s retention bonus program is still active, then that employee is eligible to receive that retention bonus, provided they meet all other eligibility requirements. • Added a statement clarifying the system of record is the HR/Payroll system as of 2024.
May 15, 2025 (Reheard after first being presented at April 17, 2025 SHRC meeting and tabled for to address commissioner concerns.)	<ul style="list-style-type: none"> • Removed eligibility requirement that employee must not have received a bonus within last 24 months. This allows agencies more flexibility to provide multiple bonus programs for employees.

June 25, 2026 (effective July 1, 2026)	<ul style="list-style-type: none">• Made confirming changes to reflect new Managing Employee Work policy.
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