

Sign-On Bonus

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Policy:

A sign-on bonus is a lump sum payment that serves as a recruitment incentive. This initiative aids in the employment of individuals for critical positions that have labor market shortages which affect the business needs of the agency or university and impair the delivery of essential services.

Criteria for Use:

To be eligible for a sign-on bonus, a position must meet the following criteria:

- A labor market shortage must exist for that specific position due to:
 - Difficulty in recruitment of personnel that requires more than 6 months to fill the position; or
 - Turnover rates are significantly higher than acceptable rates; or
 - Retention rates are significantly lower than acceptable rates; or
 - Vacancy rates are significantly higher than acceptable rates; and
 - Acceptable rates are determined based on documented metrics within an agency and approved by the Office of State Human Resources (OSHR)
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Sign-On Bonus (continued)

Eligibility for Sign-on Bonus:

A newly hired permanent full-time or permanent part-time employee who works 30 to 40 hours per week is eligible for a sign-on bonus. An employee who works at least 20 hours but less than 30 hours per week is not eligible for a sign-on bonus.

An employee is not eligible for assign-on bonus if:

- (1) the employee has held a position in North Carolina State government, including the judicial system, or the University of North Carolina system within the last 12 months (the employee shall remain ineligible for 12 months from the separation date);
- (2) the employee has previously received a sign-on bonus from any State agency,
- (3) or the agency has paid any contract placement or recruitment fees.

Amount and Method of Payment:

The amount of the bonus shall be determined based on labor market data and available funds approved by OSBM & OSHR.

An employee shall receive one-half of the bonus in the first paycheck and a second installment after successful completion of 18 consecutive months of employment provided the employee retains eligibility as outlined in this Policy. Bonuses for part-time employees 30 to 40 hours will be prorated.

Payment of Sign-on Bonus:

An employee who terminates employment with the agency, either voluntarily or involuntarily, before the completion of 18 months of consecutive service shall repay a prorated amount of the sign-on bonus based on months of service completed.

The repayment shall be based on the following formula:

- (1) Amount of Initial Sign-on Bonus Received/18 Months = prorated Monthly Amount
- (2) Prorated Monthly amount x (18 Months – Months Worked) = Amount due

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Sign-On Bonus (continued)

The amount due shall be deducted in full from the employee's final paycheck. If the amount deducted exceeds the final paycheck, the remaining balance shall be paid in full to the agency within 60 days from the last date of employment.

Eligibility for the Final Sign-on Bonus:

An employee in an active pay status is eligible for the final sign-on bonus installment if the employee remains employed in the same agency and in the same occupational area for 18 consecutive months.

An employee is not eligible for the final sign-on bonus installment if:

- (1) the employee's overall performance rating at any time is not at a minimum of "Meets Expectations" or the employee has documented disciplinary actions for misconduct or performance;
 - (2) the employee subsequently transfers to another agency before the completion of 18 consecutive months; or
 - (3) the employee with less than 18 months of consecutive service changes from a permanent full-time or permanent part-time 30-40-hour appointment to a permanent part-time 20-30 hour appointment.
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Credit for Consecutive Service:

One month of credit toward the 18 months is granted for each month that the employee is in pay status for one-half or more of the schedule workdays and holidays in the pay period.

Time on military leave or workers' compensation leave applies to consecutive service with the final installment being paid when the employee returns to work.

Sign-On Bonus (continued)

Agency Responsibilities:

Agencies shall submit to Office of State Human Resources the following when considering a Sign-On Bonus:

- Regional market data describing comparable employers' bonus programs.
 - The agency's proposed bonus program
 - Guidelines for administration of the bonus program within the agency that defines eligibility, method of payment, and criteria for repayment.
 - Base line data related to vacancy rates, turnover, retention, recruitment issues, or market conditions for the occupation.
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Office of State Human Resources Responsibilities:

The Office of State Human Resources shall:

- (1) Monitor and audit agency adherence to their plan and Human Resources Commission requirements; and
 - (2) Analyze data submitted from the agency related to vacancy, turnover, retention, recruitment and market to assess the potential impact of the bonus program.
 - (3) Assist the agency with developing a plan for administering the bonus.
 - (4) Review and approve/disapprove agency plans.
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