

Hiring Incentive Guidelines

Related Rule/Statute: R2-5A-403. E. Variable Pay

Issued: December 20, 2012

Effective: December 20, 2012

Applicability: Uncovered employees, Correctional Officers 1-3, Community Correctional Officers

Description

In accordance with these guidelines, an agency head may provide a hiring incentive (i.e. sign-on bonus) to employees hired into critical positions that are either hard to fill or require rare skill sets.

Eligibility

- Elected officials, agency heads appointed for a fixed term of office, interns, pool, or per diem employees are not eligible for a Merit Increase.

Requirements

- Hiring Incentives are subject to available funding and must be within the agency's appropriation.
- Hiring Incentives shall be provided without regard to political affiliation, race, color, national origin, sex, age, disability or religious creed.
- Agencies intending to implement a Hiring Incentive Program shall:
 - Submit a plan for ADOA approval prior to implementation for a select population (e.g. classification, region, etc.);
 - Or continue to submit individual requests on a case-by-case basis without an approved plan
- An agency head shall report to the Director of ADOA on the utilization of all variable pay strategies utilized in the previous fiscal year, no later than September 1st of each year.
- Incentives will be included in the calculation of the overtime rate and may require agency payroll to recalculate overtime earned during the payout period

Administration

Hiring Incentive amounts may be awarded without further approval using an ADOA-approved plan. Requests not covered by an approved plan shall be evaluated on a case-by-case basis depending on the type of job and level within the organization, however, the total payout shall not exceed \$5,000.

Payments may be made in increments over time, according to the approved plan (e.g. 25% after 3 months of employment, 25% after 6 months, and 50% after 1 year).

Plan Components

Agencies planning to implement a Hiring Incentive plan for ADOA approval shall address the following components:

- **Eligibility:** The agency shall identify any categories of employees that may not be eligible (e.g. temporary or seasonal employees).
- **Classifications and Incentives:** The plan shall describe the classifications that are requested to be eligible for a Hiring Incentive and the desired incentive amount for each classification. For each classification requested, the agency shall provide supporting evidence of difficulty in filling vacant positions or the rare skill sets that the classification requires.
- **Payment Schedule:** The plan shall describe and define the timing of distribution of payments.

Review Process

Agencies shall submit a draft plan to ADOA for review no later than six months prior to the desired implementation date (i.e. plans are due January 1st if the desired implementation date is July 1st). If changes are necessary, consultation with the agency will occur. A final draft of the plan shall be submitted to ADOA no later than eight weeks prior to the desired implementation date. Approval of an agency's plan shall be for no longer than a one-year duration. The agency shall submit a plan for each year the agency intends to participate in a Hiring Incentive plan.

Reporting Requirements

Upon plan approval, agencies may administer their Hiring Incentive plan without further review by ADOA. At the end of each fiscal year, participating agencies shall submit a report to ADOA by September 1st. The report shall include:

- A brief paragraph describing how the agency is using the Hiring Incentive plan to support the organization's goals or strategic direction.
- A list of the employees that received a Hiring Incentive and the specific amount of the incentive awarded.
- Key information for each employee on the list including employee name, current base salary, job description, etc.
- The organizational impact experienced as a result of the implementation of the strategy, including impact on retention of high performing employees, employee satisfaction, employee engagement, turnover, etc.