

State of Wisconsin

DOA – DIVISION OF PERSONNEL MANAGEMENT

- MERIT RECRUITMENT AND SELECTION BULLETIN -

Date: April 2, 2018

Locator No. DPM-0466-MRS

Subject: Policies and Procedures for Sign-On
Bonuses under Section A-5.05 of the 2017- 2019
Compensation Plan

The purpose of this bulletin is to provide notice and guidance to agencies regarding policies and procedures for the use of sign-on bonuses, as provided under Section A – 5.05 of the 2017-2019 State of Wisconsin Compensation Plan. The payment of these sign-on bonuses is for the purpose of attracting applicants to positions where recruitment has, or is anticipated to be, difficult and where payment of a bonus is a reasonable strategy. Secondly, this program incentivizes short term employee retention of one year through administration of an agreement and the option for the employer to reserve payment for half of the bonus until the employee attains permanent status. Following are rules, guidelines, and procedures for administration of these provisions.

Rules for use of Sign-on Bonuses:

- BMRS Director must approve request prior to posting a job announcement.
- Job announcement must give notice of the sign-on bonus and the amount to be provided.
- The bonus will be provided to all eligible selected candidates from the recruitment and administered in the same amount and distribution.
 - The agency will be responsible for ensuring eligibility for a bonus in accordance with Section A - 5.05(3).
- An agreement must be created and utilized by the agency for all hires receiving a bonus (see template attached).
- The agreement must be signed at the point of job offer and prior to the appointment effective date. (A copy of the signed agreement must be provided to payroll and included in the employee's personnel file.)
- The agency HR manager or highest-ranking HR staff will review and approve all requests and justification prior to submission to DPM.
- Authority for the bonus expires six months following approval, after which time a new request with justification must be re-submitted.

Note: The use of sign-on bonuses for Nurse Clinician 2 and 3 positions in the Departments of Corrections, Health Services, and Veterans Affairs may continue to be used in the same manner as previously authorized under Section A – 4.43 of the 2015-17 Compensation Plan without further DPM approval. However, any changes, such as increasing the bonus or providing it in split amounts, must be approved by the BMRS Director in advance.

Guidelines for Justification of Sign-on Bonus:

Determining if a sign on bonus is a prudent strategy requires the agency to conduct an analysis and develop justification demonstrating that a consistent and verifiable recruitment problem exists, or is highly likely to occur, and that a sign-on bonus is a logical solution. The following guidelines, in the form of questions, are intended to assist in identifying the existence of a serious recruiting problem and for developing a valid justification. Justification must include examples, data, evidence, etc., relevant to these indicators.

- Is there a history of recent (i.e. six months) problems attracting applicants?
- Are continuous recruitments necessary due to lack of applicants?
- Has attracting **minimally qualified** candidates proven difficult, demonstrated with registers insufficient for the number of vacancies, incomplete certification requests, and high rate of failed probations due to performance?
- Is the agency recruiting at an entry level and still experiencing failure?
- Have extraordinary efforts been made to recruit applicants yet challenges still exist?
- Is there a high vacancy rate due to an inability to fill vacancies?
- Is there known competition in the market where a bonus program may provide an advantage or offset competitor hiring incentives?
- Have academic, industry, economic, or other credible experts reported a serious shortage of qualified candidates?
- DPM will not approve the use of sign-on bonuses for Career Executive or supervisory positions.

Procedures for Requesting a Sign-on Bonus:

Agency budget office must approve use of a sign-on bonus, amounts, and timeline of bonus distribution (see 5.05(1) & (5)), prior to submitting request to DPM. Requests must be on agency letterhead, in memo format, and include the following:

- Requested period of usage
- Classification title and class code of positions for proposed sign-on bonus
- Number of positions to be filled
- Bonus amount
- Timeline and method of bonus distribution
- Include approval (signature) of Secretary, or designee, and a space for DPM approval
- Justification – see above for guidelines

DPM will review the request and respond with a decision generally within 2 workdays, provided the request is complete and sufficient for decision making purposes.

Payroll Instructions:

The sign-on bonus will be paid to the employee as a Pay One Time Transaction (POTT) in STAR HCM. Separate codes have been created for each of the different sign-on bonuses and for the manner in which they are paid. The sign-on bonus may be provided in total with the employee's first paycheck or may be split 50/50 between the employee's first paycheck and with the paycheck

for the pay period during which the employee attains permanent status. See the table below for the appropriate codes and the authority for each.

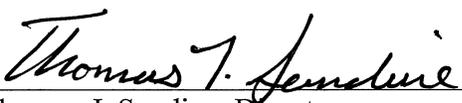
Code	Description	Compensation Plan Authority
SAL	Sign-on Bonus–Total Amt	Section A – 5.05
SA1	Sign-on Bonus–1 st Half	Section A – 5.05
SA2	Sign-on Bonus–2 nd Half	Section A – 5.05
SVR	Sign-on Bonus-DVA Retention	Section A – 5.05(5)

Sign-on bonuses for Nurse Clinician, previously administered under the authority of Section A – 4.43 of the 2015-17 Compensation Plan, will use the newly created code provided below only if there are no changes (i.e. different amounts or split payments). If there are changes, the new general sign-on bonus codes shown above (i.e. SAL, SA1, SA2) must be used, as applicable.

Code	Description	Compensation Plan Authority
SNA	Sign-on Bonus–Nurse Clinician	Section A – 5.05

If the employee does not remain in the position for which the sign-on bonus was given for at least one year from the date of hire, the employee must reimburse the agency for the entire amount of the sign-on bonus, unless the Employer agrees otherwise. The agency should use the same code for the employee reimbursement as they used for the initial payment of the sign-on bonus. Reimbursement will be deducted from the employee's final pay check and any remainder collected through written payroll contact and collection methods. Agencies must provide justification to the BMRS Director of instances where they elect not to enforce an agreement and require reimbursement.

Questions related to this bulletin and requests with justification should be sent to DOADPMBMRS@wisconsin.gov.


 Thomas J. Sandine, Director
 Division of Personnel Management
 Bureau Merit Recruitment and Selection

ATTACHMENT –
TEMPLATE AGREEMENT

[Agency or Department]

Service Agreement for New Hire Sign-on Bonus

Agency: _____

Department/Division: _____

Bureau/Employing Unit: _____

Position classification: _____

Position number: _____

New employee name: _____

New employee appointment date: _____

Today's date: _____

The 2017-2019 State of Wisconsin Compensation Plan provides authority and rules for payment of a sign-on bonus to newly appointed, eligible employees. Section A, 5.05 (4) provides that an employee must enter into an agreement with the employer, prior to receiving the bonus, agreeing to remain in the position for at least one year from the date of hire. If the employee leaves the position prior to that time for any reason, the employee must reimburse the agency for the entire amount of the bonus, unless the employer agrees otherwise. The employer reserves the right to deduct the amount owed from the employee's last pay check.

As a newly appointed/eligible employee I understand and agree that:

1. In return for the sign-on bonus payment of \$ _____, to be paid in full with the my first paycheck, (or split 50/50 between my first paycheck and the paycheck for the period during which I attain permanent status), I will continue employment with the _____ [INSERT AGENCY NAME] for a period of 12 months from my appointment date (effective date of hire) at _____ [INSERT AGENCY NAME].
2. If, before the expiration of the agreement period specified above, I fail to fulfill the terms of this agreement for any reason, I will repay (reimburse) to the State of Wisconsin all monies expended from State/agency funds for this sign-on bonus.

New Employee Print Name: _____

New Employee Signature: _____

Agency HR Signature: _____

Date Signed: _____