

State of Wisconsin

DOA – DIVISION OF PERSONNEL MANAGEMENT

- MERIT RECRUITMENT AND SELECTION BULLETIN -

Date: December 9, 2022

Locator No. DPM-0590-MRS

Subject: REPLACEMENT BULLETIN: Policies and Procedures for Sign-On Bonuses under Section A-5.05 of the 2021- 2023 Compensation Plan

This is a re-issue and replacement of policy bulletin DPM-0574-MRS (last released May 19, 2022) on Policies and Procedures for Sign-On Bonuses. The bulletin includes an update to extend the length of the approved bonus from six months to one year, and changes the requirement to have the form signed at the time the employee accepts the offer to having it signed within three business days of the employee’s start date.

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 2021-2023 State of Wisconsin Compensation Plan. This bulletin supersedes the previous bulletin dated May 19, 2022. 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, the amount to be provided, and the terms.
- 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 should be provided with the job offer and must be signed within three business days of the start date. (A copy of the signed agreement must be provided to payroll and included in the employee’s personnel file.)
- The designated HR representative will secure agency budgetary approval and review and approve all requests and justification prior to submission to BMRS.
- Authority for the bonus expires one year following approval, after which time a new request with justification must be re-submitted.

- BMRS will not approve the use of sign-on bonuses for Career Executive or supervisory positions.

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 factors, in the form of questions, are intended to assist in identifying the existence of a serious recruiting problem and for developing a valid justification. All factors should be considered; no one factor will be determinative. Justification must include examples, data, evidence, etc., relevant to these factors.

- Is there a history of recent 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?

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 BMRS. Requests must be on agency letterhead, in memo format, and include the following:

- Requested period of usage (expires after 12 months, unless requested to be shorter)
- Classification title and class code of positions for proposed sign-on bonus
- Bonus amount (up to \$2,000)
- Timeline and method of bonus distribution (one-time or split)
- Approval (signature) of Secretary, or designee such as HR Director/Manager, and a space for BMRS Director approval
- Justification – see guidelines above

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

Requests for extensions, once initially approved, may be made via email to the DOA DPM BMRS mailbox with a brief justification that substantiates the need to continue the sign-on bonus.

Note: with the publication of this bulletin, currently active sign-on bonuses are automatically extended to one year from the original date of approval.

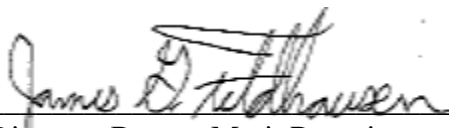
Payroll Instructions:

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
SNA	Sign-on Bonus–Nurse Clinician	Section A – 5.05
SVR	Sign-on Bonus-DVA Retention	Section A – 5.05(5)

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 received, 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 paycheck 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.



Director, Bureau Merit Recruitment and Selection
Division of Personnel Management

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 2021-2023 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 paycheck.

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: _____