



# State Personnel Board Rules

Georgia Department of Administrative Services

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## 478-1-.13 Incentive Compensation and Award Programs.

- (1) **Introduction.** Each agency may adopt specific incentive policies, procedures, or plans to implement incentive compensation and awards, as long as they are consistent with this Rule. Incentive compensation and award programs are funded by individual agency budgets and become effective upon certification by the Commissioner and by the Director of the Office of Planning and Budget that funding is available. The Commissioner may audit an agency's policies, procedures, or plans; if they are found to be inconsistent with these rules, the Commissioner may direct the agency to modify them to achieve consistency or may discontinue them.
- (a) For the purposes of this Rule, the following terms and definitions apply in addition to those in 478-1-.02 (Terms and Definitions):
1. "Incentive Payment" means a one-time lump sum payment or a predetermined quarterly payment that does not become a part of base salary.
  2. "Meritorious Award Programs" are programs that provide for onetime lump sum payments to be awarded to employees for extraordinary acts or performance outside regularly assigned duties.
    1. "Incentive Compensation Plans" are formalized incentive reward programs designed to encourage employees to exceed normal job expectations in support of department and institutional goals and provide agencies greater flexibility to hire and retain employees with skill sets necessary to meet departmental business objectives.
    2. "Goal Based Plans" are plans designed to measure employee performance against business objectives or performance targets and reward employees for achievement of a predetermined standard. Goal Based Plans are based on objectively measurable criteria established at the beginning of the evaluation cycle that enhance effective operation of state agencies.

## (2) Implementation and Administration of Incentive Compensation and Awards Plans.

- (a) Any incentive or award program or plan developed by an agency must specify:
1. Which positions and/or job categories will be eligible for the program or plan;
  2. The terms and conditions of eligibility; and



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- 3. The amount that will be awarded to each employee who meets the specified criteria.
- (b) In recognition of achievements under Meritorious Award Programs, Incentive Compensation Plans, and Goal-Based Plans, the State Personnel Board and/or other agencies may authorize the following awards:
  - 1. Cash payments;
  - 2. Certificates of merit;
  - 3. Certificates acknowledging period of service; and/or
  - 4. Emblems, buttons, pins, or other similar items of nominal value.
- (c) The proper treatment of payments under Incentive Compensation and Award programs and plans for determining retirement benefits and for calculating the regular rate of pay for purposes of calculating overtime pay for nonexempt employees is illustrated in the following chart:

Treatment of Payments	Type of Plan or Award			
	Hiring Incentive	Incentive Compensation for Learning New, Critically Needed Skill	Meritorious Award Payment	Other Incentive Payments
Include in earnable compensation for determining retirement benefits?	No	No	No	No
Include in regular rate of pay for purposes of calculating overtime?	No	Yes	No	Yes

- (3) **Meritorious Award Program.** The Meritorious Award Program should be used to recognize an individual Agency employee or a team of agency employees who go beyond the normal demands of the job by, for example: Performing a service, act, or achievement that particularly enhances public perception of the agency; Performing acts of heroism that are above and beyond the call of duty; Obtaining innovative or unique success, when others have failed or said that the job could not be done; or Responding in an extraordinary manner to an unanticipated problem.
  - (a) An agency head or their designee, or an agency incentive award committee appointed by the agency head, will recommend which employees should receive a Meritorious Award. The agency head or their designee will make the final decision.
  - (b) A Meritorious Award lump sum payment can be between \$10 and \$5000 per



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employee and should be paid within 90 days of the occurrence of the extraordinary act or the recognition of the extraordinary service.

- (1) **Training and Education Incentive Compensation.** Training and Education Incentive Compensation may be used by an agency to compensate an employee for acquiring a critically needed skill; it should not be used as a general tuition reimbursement program for training or classes taken by employees. Training and Education Incentive Compensation may be given when the following conditions are met: Training is voluntary; The skill acquired directly enables the employee to substantially improve current job performance or to perform a new job within the agency; The skill acquired is directly related to fulfilling the mission and needs of the employing Agency; and The agency has previously approved the training or education for incentive compensation and the employee is eligible to receive the incentive.
  - (a) Each agency must establish a plan listing specific courses, certifications, or degrees that are eligible for Training and Education Incentive Compensation. The plan should specify the employees or groups of employees that are eligible to receive Training and Education Incentive Compensation and the amount of the incentive, which should be the same for all eligible employees. This Training and Education Incentive Compensation must then be made available to all employees specified in the plan as eligible and who fulfill the requirements. The agency is responsible for updating the plan as the specific training and educational needs of the agency change. This plan must be made available to the Commissioner for review upon request.
  - (b) When determining the amount of Training and Education Incentive Compensation, the following considerations should be taken into account: Overall value of the acquired skill to the agency; Cost of the program; Time required to complete the program; The magnitude of the accomplishment/commitment of the individual; and Any basis in law and/or regulation.
  - (c) A Training and Education Incentive Compensation lump sum payment should be made at the conclusion of the course or program, if the employee received a passing grade and/or a certification or degree. Qualification requirements higher than passing may be implemented by an agency.
  - (d) Upon making a Training and Education Incentive Payment, an agency should notify the Commissioner in writing of the name and employee I.D. number of the recipient, as well as the amount of the payment and the reason for making the payment.
  - (e) At its discretion, an agency may impose a length-of-service requirement for employees to be eligible for the Training and Education Incentive Compensation (as long as the requirement applies equally to all eligible employees).



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- (f) Should an employee voluntarily resign during their initial 12 months of employment, the employee must repay a portion of the Training and Education Incentive Compensation payment according to the following repayment schedule:

<b>If the employee resigns within the following number of days of receipt of certification. . .</b>	<b>they must repay the following percentage of the Training and Education Incentive Compensation payment</b>
30 days	100% (or he/she will not receive the payment)
31-90 days	90%
91-180 days	75%
181-365 days	50%

- (5) **Goal-Based Incentive Plans.** Each agency should establish a Goal-Based Incentive Plan to measure performance against agency business objectives, or performance targets for all employees who satisfy the following criteria: Meet or exceed predetermined productivity standards; Meet or exceed predetermined sales targets; or Generate or secure income or revenue for the agency beyond established goals.

- (a) Goal-Based Incentive Plans should identify:

1. The criteria or standards for the Goal-Based Incentive Plan at the beginning of the award cycle;
2. The quantifiable measures that will be used to determine if the criteria or standards have been met;
3. Who is eligible to receive goal-based incentives under the particular program; and
4. How the goal-based incentive compensation will be paid.

- (b) An agency may impose a length-of-service requirement for employees to be eligible for the Goal-Based Incentive Plan. Any length of service requirement must apply equally to all eligible employees.

- (c) Each agency may determine the minimum and maximum amount that will be awarded to



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each employee who meets the specific criteria.

(d) Performance, productivity, and sales/income benchmarks will be assigned weights Based on the goal and mission of the agency. Employees meeting or exceeding Established benchmarks will be rewarded.

(e) Payment of Goal-Based Incentive Compensation should be made in the fiscal year in which the employee meets any of the criteria assigned in the Goal-Based Incentive Plan.

(6) **Hiring Incentive Compensation Plans.** Hiring Incentive Compensation may be used by an agency to fill one of the following types of positions: A position that has been determined by the agency to be hard-to-fill (such as a position that has been vacant an excessive period of time with no qualified candidates applying, or a position with a skill set that is unavailable or rare in a particular geographic area, etc.); A position that is critical to a facility meeting its accreditation standards; A position that is critical to maintaining public safety; A position/job whose compensation level is well below that commonly paid in the applicable labor market for similar jobs; A position that has required skills that are critical to the agency; or, A position that is associated with unique “preferred” skills that are critical to the agency.

(a) Funding for Hiring Incentive Compensation shall come from individual agency budgets.

(b) Each agency shall establish and maintain a plan listing positions approved by the agency for Hiring Incentive Compensation based on one or more of the criteria listed above. Only those positions in an agency’s plan may be granted Hiring Incentive Compensation.

(c) The amount of the Hiring Incentive Compensation lump sum payment should not exceed 5% of annual base salary under most circumstances. The agency head may approve a Hiring Incentive Compensation payment of up to a maximum of 10% of annual base salary with adequate justification.

(d) Hiring Incentive Compensation payments shall be made after a period of employment specified in the policies of each agency. This period of employment shall be at least 30 days but shall not exceed 90 days.

(e) Should the employee voluntarily resign during the initial 12 months of employment, the employee shall repay a portion of the Hiring Incentive Compensation payment according to the following repayment schedule:



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If the employee resigns within the following number of days of receipt of Hiring Incentive Compensation Payment...	they must repay the following percentage of the Hiring Incentive Compensation payment
30 days	He/she will not receive the payment
61-90 days	75%
91-180 days	50%
181-365 days	25%

(f) Recruitment payments under an Incentive Compensation plan shall not be included in earnable compensation for determining retirement benefits.

Authority O.C.G.A. Secs. 45-20-3, 45-20-3.1, 45-20-4, 45-20-6, 45-20-10.

**History.** Original Rule entitled “Service Regulations” adopted. F. July 31, 1985, eff. July 1, 1985, as specified by the Board.

**Amended:** F. Jan. 22, 1988; eff. Nov. 12, 1987, as specified by the Board.

**Amended:** F. Nov. 8, 1989; eff. Sept. 14, 1989, as specified by the Board.

**Amended:** F. Nov. 16, 1992; eff. Sept. 21, 1992, as specified by the Board.

**Amended:** F. June 28, 1993; eff. June 9, 1993, as specified by the Board.

**Amended:** F. Nov. 15, 1994; eff. Nov. 3, 1994, as specified by the Board.

**Amended:** F. Dec. 7, 1995; eff. Nov. 30, 1995, as specified by the Board.

**Amended:** F. Oct. 8, 1997; eff. Sept. 25, 1997, as specified by the Board.

**Amended:** F. July 22, 1998; eff. July 7, 1998, as specified by the Board.

**Amended:** F. May 22, 2001; eff. May 3, 2001, as specified by the Board.

**Repealed:** New Rule entitled “Incentive Compensation and Award Programs” adopted. F. Dec. 23, 2008; eff. Dec. 16, 2008, as specified by the Board.