

Department of Workforce Services (DWS) Response Regarding Incentive Award Information

December 2015

Staff in the Office of the Legislative Fiscal Analyst reviewed FY 2015 incentive awards, service awards, and special bonus pay at DWS (\$883,100 in total) and asked DWS to explain seeming anomalies. DWS responded as follows:

“Q1. What are your policies for granting incentive awards?”

A1. Please see attached pdf document for applicable DWS admin policy.

Q2. How much of the spending was from the General or Education Fund?”

A2. Please see attached Excel spreadsheet.

Q3. What is “special bonus pay” and what are the policies to grant it?”

A3. The Legislature provided funding during the 2015 General Session equivalent to a 2.25% general increase for eligible state employees. The 2.25% salary increase was administered as a general increase to employees who met certain eligibility criteria. The general increase functioned similar to a COLA; however, no adjustments were made to salary ranges.

Eligible employees who were at the maximum of the salary range, above the maximum, or in longevity received a one--time bonus equivalent to the calculation of a 2.25% yearly salary increase.

Employees who were less than 2.25% away from the maximum of the salary range received an increase to take them to the maximum of the salary range and the difference was given in the form of a one--time bonus, for a total increase equal to 2.25%.

These one-time bonuses were categorized as “special bonus pay” by State Finance.”

Fiscal_Year	2015	<input type="button" value="▼"/>
Charge_Fund	(All)	<input type="button" value="▼"/>

Sum of Charge_Dollars	Column Labels			
Row Labels	Incentive Award	Service Award	Special Bonus Pay	Grand Total
+ NJP	456,700	20,950	4,427	482,077
+ NJD	227,942	10,750	7,496	246,188
+ NLA	101,007	4,350	3,675	109,032
+ NJT	12,400	1,850	6,285	20,535
+ NKA	6,050	150		6,200
+ NLJ	3,100		2,151	5,251
+ NSA		400	2,130	2,530
+ NJY	2,000			2,000
+ NJA		200	1,462	1,662
+ NJL	250	1,400		1,650
+ NSC		600	919	1,519
+ NSE		350	919	1,269
+ NJU	700	300		1,000
+ NSG	700	100		800
+ NJE		200	418	618
+ NSF		100	418	518
+ NSN		200		200
+ NSH		50		50
Grand Total	810,849	41,950	30,297	883,096

Fiscal_Year
Charge_Fund
Please use the cells below shaded in green to provide the amounts of General Fund and Other Funds used to pay for associated expenses in columns B, C, and D to the left.

Sum of Charge_Dollars	Incentive Award GF	Incentive Award Other	Service Award GF	Service Award Other	Special Bonus Pay GF	Special Bonus Pay Other	Total GF	Total Other
* NJP	146,908	309,792.44	6,739	14,210.97	1,424	3,002.66	155,070	327,006
* NJD	36,108	191,833.88	1,703	9,047.10	1,187	6,308.50	38,998	207,189
* NLA	1,714	99,293.33	74	4,276.20	62	3,612.53	1,850	107,182
* NJT	3,174	9,225.96	474	1,376.45	1,609	4,676.13	5,256	15,279
* NKA	6,050	(0.00)	150	(0.00)	-	-	6,200	(0)
* NLJ	273	2,827.21	-	-	189	1,961.39	462	4,789
* NSA	-	-	-	400.00	-	2,129.76	-	2,530
* NJY	392	1,608.12	-	-	-	-	392	1,608
* NJA	-	-	47	153.48	340	1,121.60	387	1,275
* NJL	9	240.88	51	1,348.91	-	-	60	1,590
* NSC	-	-	34	565.91	52	866.52	86	1,432
* NSE	-	-	152	197.73	400	519.03	552	717
* NJU	176	523.93	75	224.54	-	-	252	748
* NSG	-	700.00	-	100.00	-	-	-	800
* NJE	-	-	46	154.05	96	321.66	142	476
* NSF	-	-	1	98.77	5	412.45	6	511
* NSN	-	-	0	199.59	-	-	0	200
* NSH	-	-	27	23.18	-	-	27	23
Grand Total	194,803	616,046	9,573	32,377	5,365	24,932	209,741	673,355

1305 INCENTIVE AND SERVICE AWARDS - PROCEDURE

Most Recent Obsolete [Procedure](#)

Policy Effective: November 1, 2015

1. General Procedures for all Classes and Types of Awards
 - A. Any individual or team of department employees is eligible to receive an incentive award.
 - B. An Incentive Award nomination may be initiated by any department employee(s) or a non-department employee(s) who has direct knowledge of the achievement of the employee(s) being nominated.
 - C. Nominations must be submitted in writing.
 - D. All incentive awards will expire on June 30th following the date of issue.
 - E. Types of incentive awards that may be granted include cash (bonus) awards, non-cash awards, and administrative leave in lieu of cash.
 - i. Other types of administrative leave such as physical exam leave, governor approved holiday leave, and executive director approved holiday leave are not considered as incentive awards or administrative leave in lieu of cash, in accordance with [DHRM Rule R477-7-7](#).
 - ii. The type of administrative leave being used should be documented in comments on the employee time sheet for the OA hours used (i.e., "incentive award" or "admin leave in lieu of cash").
 - F. All incentive awards must be awarded judiciously and supported with written documentation. The written documentation will include the name of the individual, detailed reason for award, and the expiration date of the award of June 30 following the date of issuance.
 - G. A combination of the types of incentive awards may be granted at the discretion of the Executive Director, Deputy Directors, and Division/Service Area Directors/Managers.
 - H. Incentive Award Restrictions
 - i. Any employee who is currently on a performance improvement plan or whose current performance evaluation rating is unsuccessful is not eligible for an incentive award.
 - ii. Individual awards shall not exceed the parameters established by [DHRM Rule R477-6-7](#).
 - iii. Non-cash awards shall not include cash equivalents such as gift certificates or tickets for admission.
2. Bonus Awards. Bonus awards may be authorized for individual or group exceptional productivity accomplishments. Based on award amount, bonus awards are approved by the deputy director or the associate, division or service area director.
3. Non-cash Awards are issued by management to employees as recognition for excelling in one of the four Department Cornerstones, Operational Excellence, Exceptional

Customer Service, Community Connection and Employee Success. Click [here](#) for the procedure for administering non-cash awards.

4. Administrative Leave in Lieu of Cash Awards. Deputy, associate, division, or service area directors may grant administrative leave in lieu of cash to employees who demonstrate exceptional effort or accomplishment beyond that normally expected on the job. Administrative Leave in lieu of cash may not be granted based solely on an employee's annual performance appraisal rating – even if the rating is exceptional.
 - A. Criteria and Eligibility:
 - i. Improvement in department operations. Awarded to employees who have applied creative ideas, initiative, leadership and investment of time beyond standard expectations and that have resulted in improved agency operations.
 - ii. Statewide benefits and public service. Awarded to employees who have increased or improved public service, safety, health or who have reduced the duplication of statewide efforts (such as improved interagency data systems, communication and coordination).
 - iii. Cost savings or revenue increases. Awarded to employees who have saved significant dollars, time or who have increased revenues.
 - iv. Outstanding work effort. Awarded to employees who have exceeded normal job responsibilities and expectations for a unique event or who have exceeded expectations over a sustained period of time.
 - B. All Department of Workforce Services employees are eligible unless they have received an overall unsuccessful performance review within the last ninety (90) days, are currently on a performance improvement plan, are on administrative leave pending the results of an investigation or have received a disciplinary action within the last 12-month period. Schedule IN and TL employees not receiving benefits are not eligible for administrative leave in lieu of cash.
 - C. Employees shall be issued a Certificate of Administrative Leave detailing the number of hours approved and the expiration date for taking the leave and written documentation identifying the reason for the administrative leave in lieu of cash.
 - i. Deputy, associate, division or service area directors are authorized to issue a Certificate of Administrative Leave for up to 8 hours per occurrence.
 - ii. Administrative leave in lieu of cash awards exceeding 8 hours per occurrence may only be issued by the executive director.
 - iii. The cumulative total of administrative leave in lieu of cash granted for any employee shall not exceed 40 hours in any fiscal year (July 1 through June 30) in compliance with [DHRM Rule R477-7-7](#).
 - iv. Administrative leave in lieu of cash granted under the incentive award program should be used during the fiscal year and will expire June 30 following the date of issue. Administrative leave in lieu of cash is subject to the same approval process as annual leave. Unused administrative leave in lieu of cash hours are forfeited at the end of the fiscal year, at termination or separation from employment or upon transfer or reassignment to a different state agency.
5. Service Awards are administered through payroll as a cash award for employees in accordance with [DHRM Rule R477-6](#) and [Division of Finance Policy](#) FIACCT 05-03.07.