



APPENDIX I

EXCEPTIONAL RECRUITMENT AND RETENTION INCENTIVE OPTIONS

INTRODUCTION

The Commonwealth's Compensation Management System has adopted a number of ***Exceptional Incentive Options*** that may be implemented for specific positions, ***Roles*** and/or ***Career Groups*** that have significant recruitment and retention problems and are critical to the agency's mission and on-going operations. Recruitment and retention situations that require more extensive ***Incentive Options*** typically follow labor market practices in other industries where the Commonwealth competes for employees. It is important to recognize that when supply for specific types of employees is extremely low and demand is very high, these ***Incentive Options*** will place the agency in a more favorable position to recruit and retain qualified employees in critical positions.

The ***Incentive Options*** outlined in this Appendix are reserved exclusively for situations where employees are extremely difficult to recruit and retain and are intended to address staffing problems associated with employees entering or leaving state employment. Thus, they are not to be used in those situations involving recruiting and retaining employees from one state agency to another. Agencies may use these options individually or select a number of options to use in combination with each other. All salary actions require the consideration of the 13 ***Pay Factors***.

These ***Incentive Options*** may be used in conjunction with the Commonwealth's pay practices when appropriate, however, they extend above and beyond the pay practices outlined in Chapter 8. Additionally, agencies should take into consideration the ***Pay Factors*** when using ***Incentive Options***.

Agencies determine whether positions, ***Roles*** and/or ***Career Groups*** are to be provided these ***Incentive Options***. This determination is based on criticality to agency mission, significant recruitment and retention difficulties, and similarity to incentives used in the related labor market. Agencies choosing to use these ***Incentive Options*** must coordinate with their Cabinet Secretary

and notify the Department of Human Resource Management (DHRM). Agencies should decide on an internal approval process to access these **Incentive Options**. It is imperative that agencies review and reevaluate the need to continue these **Incentive Options** at least annually based on market availability and the type of competition that exists in the labor market.

SIGN ON BONUS

Agencies may offer a **Sign On Bonus** of up to \$10,000 to new employees who accept employment in positions, **Roles** and/or **Career Groups** where applicants are extremely difficult to recruit and retain and their functions are deemed critical to the agency's operation and mission. The new employee must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year. Agencies must identify the positions eligible for the **Sign On Bonus** and establish a schedule of payment, either one lump sum payable at hiring or divided into two or more payments with final payment by the end of the agreed period. A formal written agreement, which includes requirements for satisfactory performance and duration of employment, must be executed with each employee outlining pay back terms if the agreement is not met.

RETENTION BONUS

Agencies may offer a **Retention Bonus** of up to \$10,000 during a fiscal year (ending 6/24) to current employees in positions, **Roles** and/or **Career Groups** where applicants are extremely difficult to recruit and retain and their functions are deemed critical to the agency's operation and mission. These employees must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year. The **Retention Bonus** may be paid as a lump sum or in scheduled payments. A formal written agreement, which includes requirements for satisfactory performance and duration of employment, must be executed with each employee outlining pay back terms if the agreement is not met.

PROJECT-BASED INCENTIVES

Agencies may offer project completion bonuses or milestone completion bonuses to employees occupying positions, **Roles**, and/or **Career Groups** that present extremely difficult recruitment and retention problems for the agency and whose functions are deemed critical to the agency's operation and mission

and/or employees that work on and complete essential projects for the agency. Sustaining the projects must be critical to the agency's operation or mission. Payments for any one project or combination of project milestones shall not exceed \$10,000 in a fiscal year (ending 6/24). Agencies must determine valid projects, identify participants eligible for the bonus, and develop project plan/milestones to identify the timing of payments.

COMPENSATORY LEAVE

Under the Compensatory Leave policy, agencies are authorized to provide **Compensatory Leave** under certain circumstances to employees who work extra hours. Agencies may extend indefinitely the time period for **Compensatory Leave** to be used by employees that occupy positions, **Roles** and/or **Career Groups** that are extremely difficult to recruit and retain and are critical to the agency's operation and mission. Agencies must document any extensions authorized and retain information in the agency files.

Additionally, agencies may pay off **Compensatory Leave** balances to this group of employees.

ANNUAL LEAVE

Agencies should negotiate the exact amount of **Annual Leave** that will be provided to the new employee at the start of employment and enter this amount into the leave system. A formal written agreement, which includes requirements for satisfactory performance and continued employment, must be executed with each employee outlining pay back terms if the agreement is not met. The employee must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year.

Granting Leave

Agencies may provide up to 30 days (240 hours) of **Annual Leave** (per leave year – ending 1/9) to new and existing employees as an incentive to accept employment or retain employees in positions, **Roles** and/or **Career Groups** that are extremely difficult to recruit and retain and are deemed critical to the agency's operation and mission.

Advancing Leave

Agencies also have the option to advance some amount of **Annual Leave**, up to 30 days, rather than granting an additional amount of **Annual Leave**. For example, an agency may give a new employee two weeks (10 days) of **Annual Leave** at time of hire and the repayment of this leave would be outlined in the pre-employment agreement.

Paying Leave

Agencies have additional options for handling **Annual Leave** for employees who are granted or advanced the **Exceptional Recruitment and Retention Leave**. Agencies may elect to pay off any accrued **Annual Leave** hours, negotiating with the employee the amount of leave balances to be paid. Agencies should encourage employees to retain an **Annual Leave** balance to cover unforeseen situations that may arise in which the employee may need to use this leave time.

REFERRAL PROGRAM

Agencies may implement a **Referral Program** in which agency employees working in a classified position are eligible to receive a payment of up to \$1,500 for referrals which result in hiring external job applicants in difficult to recruit positions, **Roles** and/or **Career Groups** that are deemed critical to the agency's operation and mission. Eligible positions are those designated critical by the agency management that have not generated an acceptable applicant pools.

External job applicants are those who are not employed by any agency in any branch of Virginia state government. Referred applicants must not have an active job application on file with the agency.

Agencies have the option of expanding their **Referral Program** to include State employees both inside and outside of the agency or only making the program available to current agency employees. Additionally, agencies can decide if referring employees must be employed and working in the specific agency at the time in which the referral payments are due or be working for another State agency. All features of the **Referral Program** must be outlined in the **Agency Salary Administration Plan**.

Agencies may determine the payment schedule, whether paid as a lump sum or several payments, for referral bonuses with final payment within one year of the hire date. For example, one half of the referral payment may be

paid once the applicant has been hired and begins work, with the remainder paid once the applicant completes the probationary period.

Under this incentive, hiring managers/supervisors and agency recruiting staff are not eligible to participate in the ***Referral Program***.

The following procedures shall be followed when implementing the ***Referral Program***.

1. The external job applicant must submit written notification of referral with application or resume.
2. The Human Resource office confirms referral in writing.
3. Once an applicant is hired and begins work, the Human Resource office obtains authorization for first referral payment and forwards to payroll.
4. When the employee (applicant) completes probation, or according to the established payment schedule, the Human Resource office authorizes subsequent referral payments and forwards to payroll.
5. If the referring employee is employed by another state agency, the funds for the referral payment(s), along with supporting information, must be forwarded to the employee's agency fiscal office. The referring employee's agency will make the payment(s) from these funds.

Exceptional Recruitment and Retention Incentive Options
 for positions critical to the agency mission with significant recruitment and retention problems
 03/01/01

Option	Guidelines	Relation to Pay Practices
Sign On Bonus	Up to \$10,000 for new external employees agreeing to work for a specified period of up to one year. Payable as lump sum or scheduled payments , with final payment by the end of the agreed period. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. <ul style="list-style-type: none"> • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly 	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Retention Bonus	Up to \$10,000 during a fiscal year (ending 6/24) for current agency employees agreeing to work for a specified period of up to one year. Payable as lump sum or scheduled payments. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. <ul style="list-style-type: none"> • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly 	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Project-Based Incentives	Project completion or milestone bonuses not to exceed \$10,000 for any one project in a fiscal year (ending 6/24). Eligible projects and participants must be identified along with criteria and timing of payments. <ul style="list-style-type: none"> • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly 	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Compensatory Leave	Allows agencies to extend indefinitely the time employees have to use earned compensatory leave and/or to pay off compensatory leave balances .	Covered by revised Compensatory Leave Policy
Annual Leave	Agencies may grant or advance up to 30 days (240 hours) of annual leave during a leave year (ending 1/9) to new and existing employees as an incentive to accept or continue employment with the Commonwealth. The employee must agree to work for a specified period of up to one year. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. Agencies also may elect to pay off annual leave hours.	Covered by revised Annual Leave policy.
Referral Program	Agency employees eligible to receive payment of up to \$1,500 for referral of candidates external to the Commonwealth's workforce if they are hired. Referring employees must submit written notification of referral with application/resume, then HR confirms. Referring employees must be working in a classified position at a state agency to receive payment. Agencies decide payout schedule for bonuses , with final payment within one year of the hire date. Hiring managers/supervisors and agency recruiting staff are not eligible. The Agency Salary Administration Plan will determine whether the referring employee must be employed in the agency in order to receive payment(s). <ul style="list-style-type: none"> • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly 	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.

All salary actions require the consideration of the following pay factors:

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| - Agency Business Need | - Work Experience & Education | - Internal Salary Alignment | - Total Compensation |
| - Duties & Responsibilities | - Knowledge, Skills, Abilities, & Competencies | - Market Availability | - Budget Implications |
| - Performance | - Training, Certification, & License | - Salary Reference Data | - Long Term Impact |
| | | | - Current Salary |