

PROCEDURE 301-6 BONUSES, INCENTIVES AND VARIABLE PAY

This procedure supports and provides direction for recruitment and selection incentives outlined in Policy 203 and Procedures 203-1. With exception of Leadership In Action awards, total bonuses paid in a calendar year may not exceed 10% of an employee's annualized compensation and will be funded by the D/A/O.

Recruitment and Retention Bonuses

To support the attraction and retention of qualified talent in competitive labor markets, Johnson County may offer recruitment and retention bonuses in accordance with the County's Compensation philosophy and budgetary considerations. All bonuses must be approved by Human Resources and documented in accordance with Compensation procedures.

- All recruitment and retention bonuses must be documented using the County's bonus request form.
- Human Resources will maintain a central record of all approved bonuses.
- Bonuses may be reviewed annually for equity, effectiveness, and alignment with compensation strategy.

Sign-On Bonuses

Purpose: To attract qualified candidates to hard-to-fill or critical positions.

Eligibility:

- May be offered for positions with documented recruitment or unusual market competitiveness.
- Must be approved by County Manager, or designee, and Human Resources prior to extending offer.

Amount:

- May not exceed 10% of the employee's annual base salary.
- May be paid in two installments with 50% within 30 days of employment commencement and the remaining 50% after 6 months of continuous employment and satisfactory performance
- Must be accompanied by a longevity agreement (12 or 24-months) with a pro-rated repayment provision if the employee voluntarily separates before the end of the agreement period.

Employee Referral Bonuses

Purpose: To incentivize current employees to refer qualified candidates for open positions.

Eligibility:

- Referring employee must be in good standing and not involved in the hiring decision.
- Bonus is paid only if the referred candidate is hired and completes 90 days of employment

Amount:

- Standard referral bonus is \$250–\$500, depending on the position level and criticality of hire.
- Higher amounts may be considered for documented hard-to-fill, specialized roles or where D/A/O vacancy reaches a certain level that compromises service delivery.

Payment Timing:

- Paid after the referred employee completes 90 days of continuous employment.

Retention Bonuses

Purpose: To retain employees in critical roles or during periods of organizational transition.

Eligibility:

- Must be tied to a documented business need (project continuity, leadership transition, etc.)
- Requires approval by Human Resources and the County Manager.

Conditions:

- Amount may not exceed 10% of annual base salary.
- Must be accompanied by a written longevity agreement (12–24 months)
- Bonus may be paid upon completion of agreement period or in advance and subject to pro-rated repayment if the employee voluntarily separates before the end of the agreement period.

Performance Bonuses

Discretionary Performance Bonuses

Bonuses may be recommended to reward employees for noteworthy performance or contributions beyond the employee's regular job duties which exceed expectations and/or have significant impact on the organization. Discretionary bonuses may be recommended at the discretion of D/A/O leaders and may not exceed \$1,000 or five (5) days of paid time off. Bonuses may not be paid for additional hours worked in lieu of or in addition to overtime pay. Discretionary bonuses more than \$1,000 or five (5) days of paid time off must be documented and approved by the County Manager or designee in consultation with the Department of Human Resources.

Milestone Bonuses

Where there is a demonstrable business necessity, D/A/O leaders may develop milestone project bonus plans to reward performance on projects that will require extraordinary effort and dedication over an extended period of time. The plan must be submitted in writing and approved by the County Manager or designee after consultation with Human Resources prior to implementation.

The milestone bonus plan must include:

- The business necessity for the bonus plan.
- Eligible employees.
- The criteria for earning the bonus.
- The time frame over which the criteria are to be measured.
- The frequency, amount, structure and timing of payment(s).
- The form of bonus to be paid, e.g., cash or paid time off.

Unless specified in the written bonus plan, no project bonus will be deemed to be earned until the final day of the measurement period, and an employee who is not employed on the final day of the measurement period will not be entitled to a pro-rated portion of the bonus.

Leadership in Action Bonuses

On an annual basis, D/A/O Leaders may nominate employees or teams who have demonstrated exemplary performance, contributions and/or acts of leadership beyond their regular job duties for a discretionary Leadership in Action (LIA) bonus. The County Manager will determine the number, if any, LIA bonuses available as part of the annual merit process. The Executive Leadership Team will review and determine the recipients of such bonuses based upon nominations received.

Other Bonuses

The County Manager may approve other discretionary and nondiscretionary bonus or incentive programs consistent with Compensation Policy and Procedures. Bonuses may be awarded in the form of cash, gift cards, or paid time off. Paid time off is awarded to nonexempt employees in one-hour increments and to exempt employees in whole day or half-day increments. Unused bonus time off will be paid upon separation from employment.

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