

## **PROCEDURE 301-8 - PERFORMANCE BONUSES**

### **Discretionary Performance Bonuses**

Bonuses may be awarded following noteworthy performance or employee contributions that exceed expectations. Discretionary bonuses are awarded at the discretion of department/agency/office leaders and may not exceed \$1,000 or five days of paid time off. Bonuses in excess of these limits require prior approval from the County Manager after consultation with the Department of Human Resources.

### **Leadership in Action Bonuses**

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

### **Project Bonuses**

Where there is a demonstrable business necessity, departments/agencies/offices may develop 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 in writing and approved by the County Manager after consultation with the Department of Human Resources and the Legal Department before it is implemented. The 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 the written bonus plan provides otherwise, no project bonus will be deemed 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.

### **Other Bonuses**

From time to time the County Manager may approve other discretionary and nondiscretionary bonus or incentive programs that are consistent with the Compensation Policy.

### **Form of Bonus**

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.

**Taxes, Base Pay, and Overtime**

Cash and gift cards are taxable income. Bonuses, regardless of form, are not additions to base pay. Project bonuses for nonexempt employees are counted toward the computation of the overtime rate during the pay period in which they are earned. Any necessary adjustments to overtime will be made when the bonus is awarded.

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