

UTAH DEPARTMENT OF HUMAN SERVICES POLICY AND PROCEDURES		
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ADMINISTRATIVE SALARY INCREASE & INCENTIVE AWARDS		
<p>RATIONALE: This policy is needed to ensure the Department is establishing clear, fair and equitable policies for awarding Administrative Salary Increases and Incentive Awards.</p> <p>Replaces: 02-08 Incentive Award and Bonus Program <i>Related/Tags:</i> 02-05 DHS Compensation Policy, R477-6-(2) and (3); R477-6-7; R477-6-8; R477-7-7; FIACCT 05-03.07</p>		
Original Effective: July 2, 2004	Revision: September 22, 2021	Next Review Due: September 22, 2024

I. DESCRIPTION

This policy guides how DHS may award administrative salary increases or one-time incentive awards. This policy supersedes any previous policy governing these awards. It does not supplant any existing state or department policies to which the department must adhere.

II. DEFINITIONS

The following terms are defined for this policy as:

- A. Administrative Salary Increase (ASI): an increase in an employee's current actual wage based on special circumstances determined by an agency head.
- B. DHS or department: The Utah Department of Human Services (DHS) and any of its divisions, institutions, bureaus, or offices (DIBOs).
- C. Incentive Award: One-time cash bonus, non-cash award, leave in lieu of cash

III. POLICY AND PROCEDURE

- A. Incentive Awards (bonus, non-cash award, leave in lieu of cash) shall follow these criteria and process:

1. Any individual or team of department employees is eligible to receive an incentive award, unless an employee is currently on a performance improvement plan or their performance evaluation rating is “does not meet expectations.”
2. 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.
3. Nominations must be submitted using DHS AEM Forms.
4. Types of incentive awards that may be granted include cash (bonus) awards, non-cash awards, and administrative leave in lieu of cash.
 - a) Other types of administrative leave such as physical exam leave, governor approved holiday leave, and executive director approved holiday leave are not considered incentive awards nor administrative leave in lieu of cash and should be coded as OA (Other Administrative) hours in the employee timesheet. (See [DHRM Rule R477-7-7.](#))
 - b) Incentive awards in the form of administrative leave should be coded as OR (Other Reward) hours in the employee timesheet. (See [DHRM Rule R477-7-7.](#))
5. 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 the award, and the expiration date of the award of June 30 following the date of issuance.
6. A combination of the types of incentive awards may be granted at the discretion of DIBO directors, provided the awards align with the DIBO’s annual incentive plan that has been approved by the Executive Director’s Office (EDO).
7. Incentive award restrictions include:
 - a) Individual awards shall not exceed the parameters established by [DHRM Rule R477-6-7](#) and the Department of Government Operations, Division of Finance, in a single fiscal year.
 - b) Non-cash awards shall not include cash equivalents such as gift certificates or tickets for admission.
 - c) Administrative leave in lieu of cash will expire on June 30 following the date of issue.
 - d) Individuals may receive only one cash bonus each fiscal year, unless the DIBO director determines that extraordinary circumstances apply.

- e) An employee who receives an ASI for performance in a fiscal year shall not also receive a performance-based incentive that same fiscal year. Exceptions may be granted by the executive director.

B. Annual Incentive Plans shall adhere to the following criteria:

1. Prior to distributing any incentives in a fiscal year, each DIBO shall obtain EDO approval of its annual incentive plan. Each DIBO shall submit its incentive plan to EDO for approval prior to the start of the fiscal year, beginning in Fiscal Year 2023, or no later than September 1, 2021, for Fiscal Year 2022.
 - a) All incentive plans shall comply with the Department of Government Operations, Division of Human Resource Management (DHRM) and Division of Finance rules, policies and procedures.
 - b) Any DIBO that wants to issue a bonus outside of its approved incentive plan must obtain approval from EDO before that incentive can be issued and must provide justification for the bonus aligning with requirements for which an incentive can be issued.
 - c) Market-based bonuses require approval from the DHRM executive director in addition to EDO. (See DHRM Policy R477-6-7(4).)
 - d) A maximum of 30% of a DIBO's staff may receive a cash incentive, if budget is available.
 - e) Requests for increases above the standard limits must be justified and will be reviewed by EDO as part of the approval process.
2. Incentive Funding
 - a) DIBOs will determine whether they have funding available to provide bonuses and will be expected to identify the amount each intends to utilize for bonuses by May of each fiscal year for the upcoming fiscal year.
 - b) EDO will review and approve the amount for bonuses for the upcoming fiscal year.
3. EDO reserves the right to deny incentives and bonuses for any reason.


C. Non-cash Awards are issued by management to employees as recognition for excelling in one of the five department strategic pillars: Prevention, Self Reliance, Partnership, Operational Excellence, or People & Culture. Non-cash incentive awards are considered a bonus and the following limits apply:

1. \$50 per occurrence and no more than \$200 per fiscal year.

2. Non-cash awards require DIBO approval only, provided the award is issued in accordance with the annually approved incentive plan of the DIBO.
 3. Non-cash awards/gift items must be purchased through Utah Correctional Industries, unless exceptions outlined in Utah Code §63G-6a-804(4)(a) apply.
- D. Administrative Leave in Lieu of Cash Awards. DIBO directors may grant administrative leave in lieu of cash to employees who demonstrate exceptional effort or accomplishment beyond that normally expected on the job.
1. 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.
 2. Criteria and eligibility for administrative leave shall be as follows:
 - a) Demonstrating commitment to one of the five department pillars: Prevention, Self Reliance, Partnership, Operational Excellence, or People & Culture.
 - b) 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).
 - c) Cost savings or revenue increases: Awarded to employees who have saved significant dollars, time or who have increased revenues.
 - d) 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.
 3. All DHS employees are eligible unless they have received an overall unsuccessful performance review within the last 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.
 4. Schedule IN and TL employees not receiving benefits are not eligible for administrative leave in lieu of cash.
 5. 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.

- a) Deputy, associate, DIBO directors are authorized to issue a Certificate of Administrative Leave for up to 8 hours per occurrence.
 - b) Administrative leave in lieu of cash awards (OR hours) exceeding 8 hours per occurrence may only be issued by the executive director.
 - c) The cumulative total of administrative leave in lieu of cash (OR hours) 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.
 - d) 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.
 - e) 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.
6. Each DIBO is responsible for tracking and monitoring administrative leave granted to employees.
- E. 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.
- F. Administrative Salary Increases (ASI)
1. EDO shall approve all ASIs for department employees.
 2. ASIs will be issued to address critical workforce needs, identified and supported with data and may include the following:
 - a) Wage compression
 - b) Retention
 - c) Performance
 3. This policy does not apply to promotional increases.
 4. DIBO Annual ASI Plans will operate within the following limits:
 - a) In addition to any salary increases appropriated by the Utah Legislature, between April and June of each year, EDO and OFO will analyze the budget forecast for the closing fiscal year to determine amounts each DIBO can utilize for ASIs for the following fiscal year, in accordance with the following limits:
 - (1) Each DIBO may use 0.5% of its personnel services budget to award ASIs and incentive awards, if budget is available.

- (2) Up to 10% of each DIBO's staff may receive ASIs.
- b) ASIs awarded align with an ASI plan that addresses the DIBO's critical workforce needs and is approved by EDO.
 - c) Any revisions to the approved ASI plan should be done by May of each fiscal year so that allocations for ASIs are applied to the DIBO's ASI plan.
5. DIBOs shall ensure that DIBO staff are aware of the ASI plan and familiar with the policies the DIBO is utilizing to make determinations about the ASIs.
6. DIBOs will utilize existing ASI plans to disburse the allocated amount of funding approved by EDO prior to the end of the fiscal year.
- a) Upon approval of the annual ASI plan and the notification of the amount allowable for ASIs, DIBO shall submit all ASIs to EDO for approval and ensure proper notification and justification for the ASIs awarded are submitted to DHRM.
 - b) Requests for increases above the standard limits must be justified and will be reviewed by EDO as part of the approval process.
7. The following ASIs will be allowed:
- a) Wage Compression: Plans for addressing wage compression may take several years. An individual year's plan can address steps taken in the year as part of a multi-year plan.
 - b) Retention: Requests will be handled on a case-by-case basis but will be guided by a DHRM equity check and generally limited to no more than an 11% increase.
 - c) Performance: Supervisors will provide justification for each award. Awards up to 11% may be offered under the ASI plan.



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