I. DESCRIPTION

This policy guides how DHS may award employees’ years of service and retirement with financial payments. 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. This policy is applicable to all department divisions, institutions, bureaus, and offices (DIBOs).

II. DEFINITIONS

The following terms are defined for this policy as:

A. DHS or department: The Utah Department of Human Services (DHS) and any of its divisions, institutions, bureaus, or offices (DIBOs).
B. EDO: DHS Executive Director’s Office
C. Award: Financial payment by check or direct deposit for years of service or retirement. This excludes cash, petty cash funds, and non-cash equivalents.

III. POLICY

A. Awards are not the same as, nor in lieu of, incentive awards or bonuses.
B. Service awards may not exceed the maximum amounts allowed by DHRM policy.
C. Retirement awards may not exceed $200 in total.
D. Gift items (non-cash or time off) may only be purchased through Utah Correctional Industries per DHS Policy 02-08 Administrative Salary Increase & Incentive Awards.

E. Service and retirement awards are considered taxable income to the employee and must comply with IRS tax withholding requirements.
   1. Awards are processed via the ESS Payroll System, which automatically withholds the federal income, Social Security, and state income taxes from the payroll check.
   2. The award is included as taxable income on the employee's W-2.

F. Any exceptions to this policy shall require pre-approval by the executive director, department deputy director, or department assistant deputy director.

IV. PROCEDURE

A. EDO receives a list of employees with years of service anniversaries for the upcoming quarter from DHRM.

B. EDO formats the list and uploads in DHS AEM Forms.

C. Employee, supervisor, and payroll are notified of the anniversary date in the pay period of the anniversary.

D. DHRM Payroll processes the award for the designated amount for the employees identified.

______________________________  September 22, 2021
Tracy S. Gruber
Utah Department of Human Services Executive Director