

Employee Benefits Programs Committee  
August 25, 2008

Human Resource Mgmt Svcs  
Office of Management & Budget

**Performance Bonus Bill Draft #90244.100**

NDCC 54-06-30 (3) – Change from \$1,000/biennium to \$1,000/year

Agencies have suggested that the amount has become too small. Lump sum bonus taxes are withheld at the maximum tax rate so a \$1,000 bonus shows as a net of about \$640 in the check (although some additional is usually returned as taxes are filed). Changing the limit from biennial to annual is a good step but it might be appropriate to also consider a dollar increase in the limit.

NDCC 54-06-30 (4) – HRMS may approve exceptions to the 25% of staff limit

- As we proposed the original implementation, the 25% limit was intended as a tool to recognize exceptional performance, not performance that is simply above average.
- We concur that the authority to approve exceptions would be helpful in the possible case of a very small agency or in other truly unusual situation.
- The exception authority may be problematic in that the statute applies to all agencies and institutions including agencies and positions expressly excluded from HRMS jurisdiction. Evaluating exceptions where HRMS has no overall authority or involvement would be very difficult. HRMS would not have full understanding or base information for making the decision.
- An alternative might be to allow HRMS or the independent appointing authority to make such exceptions and report the exceptions to a legislative committee.

**Recruitment and Retention Bonus Bill Draft #90245.0100**

NDCC 54-06-31 (5) – Defining 'hard-to-fill'

The proposed language does mirror the rationale agencies have been using to consider their recruiting and retention bonuses under this section.