

**54-06-30. State employee performance bonus program - Criteria - Limitations.** State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:
  - a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;
  - b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and
  - c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.
2. State employees are eligible to receive a bonus under this section only if:
  - a. The employee has held a position in state government for at least one year before a bonus is paid;
  - b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and
  - c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.
3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand dollars in bonuses per biennium.
4. Agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty-five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Each agency must fund the performance bonus program from within its agency budget for salaries and wages.
5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.
6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.