



Recruitment Incentive Program

Recruitment incentives such as sign-on bonuses and referral bonuses are recruitment strategies to assist with recruitment for difficult-to-fill positions. This policy provides authority and guidance for such payments.

Departments who request to utilize these bonuses must complete the Request for Recruitment Incentives form and request authorization from the City Administrator. The department requesting hiring incentives and referral bonuses will be responsible to fund such incentives. Departments implementing hiring incentives and referral bonuses are responsible for determining the method by which requests for authorization of hiring incentive and referral bonus payment are processed and approved.

Difficult-to-Fill Positions

Whether a position is a difficult-to-fill position will be determined by the City Administrator. The factors to be considered in making this determination include:

- how critical the position is to the City's operation,
- the success of recent efforts to recruit candidates and retain employees in like positions,
- the availability in the labor market of well-qualified candidates for employment,
- recent turnover in similar positions,
- special qualifications needed for the position, and
- other unique factors that demonstrate difficulty in filling the position.

Such bonuses will only be available upon the City Administrator's determination that the position is a difficult-to-fill position. Only full-time, benefit eligible positions may be classified as difficult-to-fill.

Sign-on Bonus

A sign-on bonus is a compensation tool used to attract quality individuals to fill difficult-to-fill positions which will be determined and approved by the City Administrator. A sign-on bonus, when available, will be paid to an employee who is new to the City or a former City employee who had at least a 90-day break in service.

Prior to receiving the sign-on bonus, the employee must sign an agreement that stipulates that part, or all of the payment(s) is contingent upon the employee continuing employment in good standing with the City. The agreement will include a payment schedule setting forth incentive payments to be made at specified intervals if the employee remains employed on such due date(s). Nothing in this agreement will remove or alter the at-will employment.

Half of the sign-on bonus will be paid in the first scheduled payroll date after hiring and the remaining half will be paid upon successful completion of the in-training period and completion of any requirements outlined in the position description. IRS rules apply.

Referral Bonus Program

A referral bonus is an incentive to motivate current employees to recruit candidates from within their networks. The referral bonus is paid to a current employee who recruits new employees by referring



someone for difficult-to-fill position approved by the City Administrator. A referral bonus will be paid after the new employee is hired by the City and successfully completes their in-training period with a successful performance review. Vacant positions approved for referral bonuses will be notated at the time of the internal posting.

An employee who meets the City-established criteria for a referral bonus, whose official duties do not include recruitment, and who is not involved in the hiring of the referred individual is eligible for a referral bonus.

Half of the referral bonus will be paid in the first scheduled payroll date after hiring and the remaining half will be paid upon successful completion of the in-training period and completion of any requirements outlined in the position description. Referral bonuses are \$1,000. IRS rules apply.



SIGN-ON BONUS AGREEMENT

This **SIGN-ON BONUS AGREEMENT** (hereinafter "Agreement") is entered into this _____ day of _____, _____ by and between the **CITY OF SPEARFISH**, a municipal corporation and political subdivision of the State of South Dakota, 625 North 5th Street, Spearfish, South Dakota 57783 (hereinafter "Spearfish") and _____, _____ (hereinafter "Employee"), collectively referred to as the "Parties," both of whom agree to be bound by this Agreement.

1. **Sign-On Bonus.** Spearfish shall pay the Employee \$_____ (hereinafter referred to as the "Sign-On Bonus"). The Sign-On Bonus is subject to all applicable federal, state, and local tax laws and regulations.
2. **Payment.** The Sign-On Bonus shall be paid in the following manner:
 - a. Spearfish will pay 50% of the Sign-On Bonus no later than the first scheduled payroll date after the Employee's hire date.
 - b. Spearfish will pay the remainder of the Sign-On Bonus on the first scheduled payroll date after the Employee's successful completion of the in-training period and requirements outlined in the position description.
3. **Termination.** This Agreement will remain in effect provided the Employee remains employed with Spearfish through the applicable payment dates.

The Employee understands that the remainder of the Sign-On Bonus is forfeited if Employee is no longer in the position to which they are hired or if their performance is not satisfactory.

In the event the Employee is terminated for cause at any time during their in-training period, the Employee shall be obligated to immediately repay to Spearfish any portion of the Sign-On Bonus paid to them.

4. **Governing Law and At Will Employment Preserved.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any action pertaining to or affecting this Agreement shall be venued in the Fourth Judicial Circuit, Lawrence County, South Dakota. Nothing in this Agreement shall be construed to limit or alter the Employee's employment status as an at-will employee.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

Employee

Date

City Administrator, City of Spearfish

Date



Employee Referral Guidelines

- Referral bonuses will be \$1,000 dollars, less applicable taxes. Half of the referral bonus payment will be paid on the first scheduled payroll date after the referred employee's hire date and the remaining half of the referral bonus will be paid upon the referred employee's successful completion of their in-training period.
- The referral date cannot be earlier than the date the job opening is posted. The hiring of a referred employee must occur within 180 days (six months) of the initial referral date.
- The referral must represent the candidate's first contact with City of Spearfish. Candidates referred for temporary, part-time, or seasonal positions are not eligible candidates for referral bonuses.
- To be eligible for a referral bonus, an employee must submit the referral form to Human Resources at the time of application.
- The referring employee must agree to have his or her name used when the City contacts the candidate.
- The first employee to refer a candidate will be the only referring employee eligible for payment.
- All candidates will be evaluated for employment consistent with company policies and procedures.
- All information regarding the hiring decision will remain confidential and will not be shared with a referring employee.
- The referring employee must be employed by the City of Spearfish at the time of referral bonus scheduled payments.
- Any disputes or interpretations of this employee referral program will be handled by the City Administrator.



Candidate Referral Form

Job Title of Position Referral: _____

Candidate's Name: _____

Referring Employee's Name: _____

Employee's Work Phone: _____

Employee's Work Email: _____

I have read and understand the referral bonus program guidelines.

Referring Employee's Signature: _____ **Date:** _____



Request for Recruitment Incentives Form

Department: _____

Position and Grade: _____

Amount Requested: _____

Departmental Certifications/Licensing Requirements required for completion of in-training period bonus to be paid: _____

Funding Source: _____

Justification for request:

1. **Date of original job posting:** _____
2. **Length of vacancy of position:** _____
3. **Advertisement of position:** _____

Additional Comments:

Requested by:

Approved by:

Director: _____
Printed Name

City Administrator: _____
Printed Name

Director: _____
Signature

City Administrator: _____
Signature