

Retention Bonus Policy

Purpose and Objective

The purpose of the retention bonus policy is to outline the requirements and responsibilities involved with (of both management of the entity and the employee), the timing of payments of, the factors in determining the appropriate amount of, and the implementation of the retention bonus. This policy operates on a fiscal-year basis (July through June). The retention bonus is a non-recurring and non-accumulating sum of money which is paid to an employee with the sole objective of incentivizing the employee who is receiving the bonus to remain employed at the entity. The retention bonus is subject to state and federal taxes.

Eligibility

The bestowing of the retention bonus upon the employee from the entity is contingent upon the following eligibility factors:

- 1.) Employee must have completed, at a minimum, one (1) year of service before the fiscal year-end of the year during which the retention bonus determination is to be made.
- 2.) Employee must be scheduled to work regularly a minimum of 20 hours per week. Employees whose regular schedule is less than 20 hours per week are ineligible.
- 3.) Employee must currently be employed as a W-2 employee. If the employee had served any time as a subcontractor and/or independent consultant for the entity, any time spent and any amounts paid to that employee will not be utilized in determining eligibility to receive and amount of the retention bonus.
- 4.) Employee must have remained in good standing with the entity for at least one (1) year before the fiscal year-end of the year during which the retention bonus determination is to be made, and have not received any written warnings and/or disciplinary actions during that time.
- 5.) Employee must receive a satisfactory rating upon the annual performance evaluation, which will be given towards the end of the fiscal year prior to the determination of the retention bonus by management.
- 6.) Employees must be employed as direct care staff (that is, employees providing direct services to the client population, for example, teachers, therapists, etc.)

Responsibilities of the Employee

Upon the determination of the retention bonus and eligible employees, after the communication of such to eligible employees, and prior to the payment of the retention bonus, the employee is responsible for the following:

- 1.) The employee is responsible for agreeing to and signing a written agreement between the employee and the entity and assure understanding of and agreement to the stipulations therein:
 - a. The employee must maintain employment at the entity for a minimum of one (1) year from the year-end date of the fiscal year during which it was determined and discussed with the employee that such employee would be receiving a retention bonus. If the employee is unable to satisfy the 1 year minimum requirement and is terminated before that point, the employee will accept forfeiture of the expectation of receiving the retention bonus upon termination of employment. The employee is also responsible for the re-payment of the pro-rated portion of the retention bonus that was paid if the

employee does not remain employed at the entity for the period of 1 year from the fiscal-year end prior. For example, if the employee completes 9 months of service, the employee must repay 25% of the retention bonus paid (for the remaining 3 months of the year for which the employee did not provide service).

Actions

Every year, the entity determines the eligibility of employees and the level of retention bonuses to be paid to those eligible employees.

Management provides the performance evaluations of all employees prior to the fiscal year-end. Management reviews the results of the performance evaluations and other eligibility factors for all employees of the entity to ensure all employees who are eligible are considered in determination of the retention bonus.

Before communication of the retention bonuses to the eligible employees, the payment terms and payment amounts will be reviewed by the Executive Director, who will make the final determination of the bonuses to be granted and in what amounts, as well as the determination of the payment date.

Implementation

Determination of the amount of retention bonus to be paid to eligible employees will be pro-rated based upon the following:

Full-time (at least 35 hours) = 100%

Part-time (at least 30 hours, but less than 35 hours) = 75%

Part-time (at least 20 hours, but less than 30 hours) = 50%

The amount of the retention bonus will not exceed five (5) percent of the eligible employee's regular salary amount.

Communication of the retention bonuses to the eligible employees to be receiving the bonuses will occur after the annual performance evaluation results have been received and before the fiscal year-end.

Retention bonuses may be paid by the first pay period following the completion of the fiscal year during which the determination to give the retention bonus was made, but no later than two and a half months after the fiscal year-end date.