

Senate Bill 161

By: Senators Walker of the 22nd, Thomas of the 10th, Smith of the 25th and Jackson of the 50th

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

To amend Title 45 of the Official Code of Georgia Annotated, relating to public officers and employees, so as to provide for certain incentive award programs and incentive compensation plans for employees of the state; to revise existing provisions relating to suggestions and awards; to provide for other related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 45 of the Official Code of Georgia Annotated, relating to public officers and employees, is amended by striking Chapter 21, relating to employee suggestions and awards, and inserting in its place a new chapter to read as follows:

"CHAPTER 21

45-21-1.

As used in this chapter, the term:

(1) 'Agency' means any agency as defined in Code Section 45-20-2, any authority, or any public corporation, but shall not include the board of regents and units of the University System of Georgia.

(2) 'Appointing authority' means a person or group of persons authorized by law or delegated authority to make appointments to fill employee positions in the legislative, judicial, or executive branch of state government.

~~(2)~~(3) 'Board' means the State Personnel Board.

~~(3) 'Employees' suggestion and awards program' means the program developed by the board under this chapter.~~

(4) 'Commissioner' means the commissioner of personnel administration or his or her designee.

1 (5) 'Incentive award program' means a program developed by the board or other
2 appointing authority under subsection (b) of Code Section 45-21-2.

3 (6) 'Incentive compensation plan' means a plan developed by the board under Chapter
4 20 of this title and subsection (c) of Code Section 45-21-2 or other appointing authority
5 under subsection (c) of Code Section 45-21-2.

6 (7) 'Incentive payment' means a one-time lump sum payment that does not become a part
7 of base salary.

8 45-21-2.

9 (a) The board ~~shall~~ may formulate, establish, and maintain an employees' suggestion and
10 awards program incentive award programs and incentive compensation plans to encourage
11 state employees to ~~make meritorious suggestions which will promote efficiency and~~
12 economy in the performance of any function of state government and assist in recruiting
13 and retaining qualified career employees in an increasingly competitive economy improve
14 the operation and perception of state government and its instrumentalities.

15 (b) The board may establish incentive award programs for agencies for:

16 (1) Employees who perform a special, extraordinary service, act, or achievement in the
17 public interest, beyond the ordinary demands of duty, and in connection with or related
18 to state government or its instrumentalities. Without limitation but as illustrations, when
19 these criteria are satisfied such awards may be made for:

20 (A) Heroism;

21 (B) Response to an unanticipated problem or opportunity for the state employer;

22 (C) Service or an act or achievement which particularly enhances public perception of
23 state government; or

24 (D) Innovative or unique success where other efforts have failed or where experts said
25 a job could not be done; and

26 (2) Employees whose suggestions or ideas are implemented by a state department or
27 instrumentality.

28 Appointing authorities of the legislative and judicial branches may also establish such
29 incentive award programs.

30 (c)(1) In providing for compensation, pay for performance, and performance
31 management under Chapter 20 of this title, the board may provide for incentive
32 compensation plans which authorize or direct incentive pay as follows:

33 (A) A one-time payment to induce the employment of a prospective employee with
34 particularly desirable skills or attributes;

35 (B) A one-time payment for learning new, critically needed employment skills;

36 (C) A lump sum payment for employees who surpass performance expectations; and

1 (D) Goal based or incentive pay based on objectively measurable criteria.

2 (2) The board may impose requirements for periods of continued employment for
3 incentive compensation plans. To receive consideration for incentive compensation for
4 surpassing expectations under subparagraph (c)(1)(C) of this Code section, an employee
5 must be in continued employment with the appointing authority or an appointing
6 authority in the legislative, executive, or judicial branch at the time the compensation is
7 paid.

8 (3) Appointing authorities for which the board does not provide for compensation, pay
9 for performance, and performance management under Chapter 20 of this title may also
10 establish such incentive compensation plans. This authorization shall extend without
11 limitation to the appointing authorities of the legislative and judicial branches, state
12 authorities, and any executive branch agency which employed no classified employees
13 as of July 1, 1996.

14 45-21-3.

15 (a) With the approval of the board, the commissioner shall prepare rules necessary and
16 appropriate for the proper administration of ~~this program and for the accomplishment of~~
17 ~~the purposes of this chapter~~ incentive award programs, including rules governing the:

18 (1) Operation of the ~~employees' suggestion and awards program~~ incentive awards
19 programs;

20 (2) Eligibility of ~~state~~ employees to participate in the ~~program~~ programs;

21 (3) Type of suggestions ~~that will receive consideration~~ or extraordinary service;

22 (4) Method of submission of ~~suggestions~~ nominations or applications;

23 (5) Procedure for review of ~~suggestions;~~

24 (6) Procedure for verifying ~~service and making service awards~~ qualification; and

25 (7) Procedure for determining awards ~~to be given for suggestions.~~

26 (b) The rules for incentive awards for extraordinary service under paragraph (1) of
27 subsection (b) of Code Section 45-21-2 shall provide for evaluation and award by the
28 appointing authority. The rules for incentive awards for suggestions and ideas shall
29 comply with Code Sections 45-21-4 through 45-21-8.

30 (c) The commissioner shall submit the rules or any amendments thereto to the Governor.
31 Such rules or amendments will become effective when approved by the Governor or 15
32 days after they are submitted, if the Governor has not rejected them prior to that time.

33 45-21-4.

34 Subject to Article 1 of Chapter 20 of this title, the commissioner shall employ the necessary
35 staff required to carry out this chapter.

1 45-21-5.

2 ~~Each state department~~ Under incentive award programs for suggestions and ideas, each
3 agency head shall appoint a committee to be composed of not more than three members
4 selected from the officers and employees of the ~~department~~ agency to review suggestions
5 submitted which pertain to the operations of that ~~department~~ agency. The ~~departmental~~
6 agency committee shall, within 45 days of receipt, report to the commissioner on all
7 suggestions submitted to it pursuant to this chapter. Such report shall contain an estimate
8 of the value of projected annual savings to be generated by a suggestion and a statement
9 concerning the ~~department's~~ appointing authority's plan with reference to adopting them.

10 45-21-6.

11 The commissioner shall make any further investigation deemed appropriate with respect
12 to any suggestion or ~~awards~~ idea whether or not reported by the ~~departmental committees~~
13 appointing authorities and shall report his or her findings and recommendations to the
14 board. Subject to any rules adopted under this chapter, the board shall make the final
15 determination as to what action will be taken on awards ~~or~~ for employee suggestions or
16 ideas including what ~~additional compensation, if any, or certificate or both, if anything,~~
17 shall be awarded to an employee ~~whose suggestion is adopted.~~

18 45-21-7.

19 (a)(1) Cash awards for suggestions or ideas submitted by an employee, implemented by
20 ~~a state department~~ an agency, and approved by the board which result in direct
21 measurable cash savings or cost avoidance shall be paid to such employee in an amount
22 equal to up to 10 percent of the first year's estimated net material and labor savings. The
23 award shall be paid by the ~~department or departments~~ agency or agencies adopting the
24 suggestion and shall be made within ~~six months of the date the suggestion is implemented~~
25 the fiscal year the suggestion or idea is authorized for payment. Cash awards shall be for
26 not less than \$10.00 and for not more than \$5,000.00 regardless of the number of
27 ~~departments~~ agencies adopting the suggestion. ~~Funds necessary for providing the~~
28 ~~appropriate cash awards shall be drawn from the object class most directly affected by~~
29 ~~the approved suggestion. If the amount of a tangible savings award exceeds \$100.00, the~~
30 ~~suggestion shall be reviewed by the department or departments implementing the~~
31 ~~suggestion one year from the date of implementation to determine actual net savings. If~~
32 ~~additional actual savings have resulted, a final additional award shall be made to such~~
33 ~~employee based on up to 10 percent of such actual net savings less any previous award~~
34 ~~payment. No award shall be made for any savings after the first year of implementation.~~

~~(b)(1)(2)~~ Suggestions involving improvements in working conditions; changes in procedures; revision of forms; improvement in employee morale, health, or safety; or related improvements for which the monetary value cannot be determined shall be eligible for award certificates or cash awards based on intangible savings.

~~(2)(3)~~ The board shall establish a method of evaluating such suggestions. Cash awards for suggestions involving intangible savings shall not exceed \$100.00.

~~(c)(b)~~ ~~Other awards to state employees made under this chapter may include~~ In recognition of achievements under incentive award programs, incentive compensation plans, or other employee achievement, the board and other appointing authorities may award:

~~(1) A certificate~~ Certificates of merit which shall be in such form and shall be awarded at such times as the board may fix and determine;

~~(2) A certificate that shall indicate the number of years of state~~ Certificates acknowledging period of service which for this purpose shall be ascertained by the commissioner; or

~~(3) An appropriate pin, button,~~ Pins, buttons, or other emblems ~~emblem~~ which may be approved by the board.

45-21-8.

The board shall bear the costs of administration and of the certificates, ~~pins, buttons, or other appropriate~~ and emblems which it awards and appointing authorities shall bear the costs of administration and of the certificates, emblems, and incentive awards and payments which they award ~~shall be paid from the funds of the State Merit System of Personnel Administration and shall be included as a part of the annual budget of that~~ agency.

45-21-9.

(a) The following incentive payments will not be included in earnable compensation in determining retirement benefits under Chapters 2 and 3 of Title 47:

(1) Payments under an incentive awards program;

(2) Recruitment payments under an incentive compensation plan; or

(3) Payments for learning new, critically needed employment skills.

However, these incentive payments will be included as salary in the pay period granted and will be subject to employee withholding taxes in that pay period. If state or federal law otherwise requires an incentive payment to be included in salary for computing a benefit, the incentive will be deemed to have been paid, for such purpose only, annualized in equal installments prospectively over the following 12 months.

1 (b) The following incentive payments under employee incentive compensation plans will
2 be included in calculating earnable compensation in determining retirement benefits under
3 Chapters 2 and 3 of Title 47:

4 (1) Lump sum payments for surpassing performance expectations under subparagraph
5 (c)(1)(C) of Code Section 45-21-2; and

6 (2) Goal based or incentive pay under subparagraph (c)(1)(D) of Code Section 45-21-2.

7 When an incentive payment will be included in salary for computing retirement benefits,
8 the incentive will be deemed to have been paid, for such purpose only, annualized in equal
9 installments prospectively over the following 12 months. These incentive payments will
10 be included as salary in the pay period granted and will be subject to employee withholding
11 taxes in that pay period. If state or federal law otherwise requires an incentive payment to
12 be included in salary for computing a benefit, the incentive will be deemed to have been
13 paid, for such purpose only, annualized in equal installments prospectively over the
14 following 12 months."

15 **SECTION 2.**

16 This Act shall become effective upon its approval by the Governor or upon its becoming law
17 without such approval.

18 **SECTION 3.**

19 All laws and parts of laws in conflict with this Act are repealed.