

HOUSE BILL NO. 562

INTRODUCED BY R. BUZZAS

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A BONUS PROGRAM FOR STATE EMPLOYEES; PROVIDING FOR PROGRAM ADMINISTRATION; MAKING THE PROGRAM OPTIONAL FOR STATE AGENCIES; ESTABLISHING STANDARD GUIDELINES; AND PROVIDING EFFECTIVE DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 6] may be cited as the "State Employee Bonus Program".

NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 6], the following definitions apply:

- (1) "Agency" has the meaning provided in 2-18-101.
- (2) "Base salary" has the meaning provided in 2-18-101.
- (3) "Department" means the department of administration created in 2-15-1001.
- (4) "Employee" means a person employed by an agency and does not include a contract employee.

NEW SECTION. **Section 3. Program administration.** The department shall administer the state employee bonus program and shall adopt rules to administer [sections 1 through 6].

NEW SECTION. **Section 4. Agency participation -- parameters.** (1) An agency may participate in the state employee bonus program only as provided for in [sections 1 through 6].

(2) Each agency electing to participate shall adopt policies to implement the program. Each participating agency's policies must be approved by the department before the program is initiated in the agency.

NEW SECTION. **Section 5. Standard guidelines.** (1) A bonus may be awarded only to recognize superior achievement. Superior achievement must be based on an employee's performance during an entire performance appraisal period. Determinations of superior achievement must be based on established job

1 descriptions and job competency factors.

2 (2) A bonus:

3 (a) must be a one-time, lump-sum, cash payment to an eligible employee and may not increase an
4 employee's base salary or be considered a payment in lieu of other compensation or benefits to which the
5 employee is entitled;

6 (b) may not amount to more than \$1,000; and

7 (c) may not be used as a means of providing an annual salary increase.

8 (3) An employee may not be awarded more than one bonus in a fiscal year.

9 (4) An agency may not award a bonus to more than 10% of the agency's employees in a fiscal year.

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11 NEW SECTION. Section 6. Program funding. A participating agency shall fund the bonus program
12 from the agency's existing budget. An agency may not expend funds for the bonus program that will cause the
13 agency to exceed its appropriation or that will result in a deficiency or supplemental appropriation request to the
14 legislature.

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16 NEW SECTION. Section 7. Codification instruction. [Sections 1 through 6] are intended to be codified
17 as an integral part of Title 2, chapter 18, and the provisions of Title 2, chapter 18, apply to [sections 1 through 6].

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19 NEW SECTION. Section 8. Effective dates. (1) [Sections 1 through 3 and 7 and this section] are
20 effective on passage and approval.

21 (2) [Sections 4 through 6] are effective July 1, 2000.

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