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Incentive Bonuses and Salary Supplements

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Incentive Bonuses



- Definition

- One-Time Payments / Based on Performance
- Don't Require Council Approval
- Reasonable in Amount (*45 CFR Sec. 75.430(b)*)
- Based on Written Office Policy (*45 CFR Sec. 75.403*)
 - Based on Performance or Available to All Employees
- Allocated based on IV-D Percentage

Scenario 1 – Bonus Payment



CLERK

- Employee's time tracking shows 50% of his/her time spent on child support issues
- ISETS case count for the month shows 40% of child support cases were specifically IV-D
- Therefore, only 20% of the employee's time is considered IV-D related ($50\% \times 40\% = 20\%$)
- $\$1,000 \text{ bonus} \times 20\% = \200 - Maximum amount that can be paid from incentive funds
- Remaining \$800 must be paid from other funds and requires Council approval

Scenario 1 – Bonus Payment



PROSECUTOR

- Child support employees have a work load that is considered 100% IV-D
- Therefore, any bonus paid to them can be paid 100% from incentive funds
- No Council approval required for bonuses to Prosecutor child support employees
- Must be reasonable and consistent with compensation paid for similar positions and similar work (*45 CFR Sec.75.430(b)*)

Salary Supplements



- Definition
 - Additional Wages – Not a One-Time Bonus
 - Paid Equally over 26 Pay Periods
 - Essentially a Raise from Incentive Funds
 - Based on Written Office Policy (*45 CFR Sec. 75.403*)
 - Does Not Require Council Approval or an Amended Salary Ordinance
 - Allows Clerks to Offer Benefit to their Employees

Scenario – 2

Salary Supplement



- Clerk employee's salary is \$30,000 per year
- Employee's IV-D percentage based on time tracking is 25%
- Maximum amount of wage that is either eligible for reimbursement or payable from incentive funds is \$7,500 ($\$30,000 \times 25\%$)
- Assume a salary supplement of \$2,000 paid from incentive funds over 26 pay periods
- Employee's salary is now \$32,000. The maximum amount of wage that is either eligible for reimbursement or payable from incentive funds is \$8,000 ($\$32,000 \times 25\%$)
- With \$2,000 paid from incentives, \$6,000 still eligible for monthly reimbursement at 66% rate
- No Council approval or salary ordinance amendment required

Sample Written Agreement for Salary Supplement



The XXXX County Clerk has entered into an agreement with certain employees of the XXXX County Clerk's Office who provide Title IV-D services to receive a Title IV-D Incentive Fund Salary Supplement to their annual salary.

This Title IV-D Incentive Fund Salary Supplement shall be in addition to the current approved General Fund wages of certain employees of the XXXX County Clerk's Office who provide Title IV-D services, and will be paid on each bi-weekly pay period of the payroll schedule as additional wages. The payroll voucher, including both the current General Fund wages as well as the Title IV-D Incentive Fund Salary Supplement, will be filed with the Auditor by the XXXX County Clerk for payment as normally scheduled. This additional supplement shall be paid from Fund 8899 – Clerk Incentive Fund.

The following amounts are the Title IV-D Incentive Fund Salary Supplements for certain employees who provide Title IV-D services for the XXXX County Clerk's Office for the budget year 2017:

| <u>Employee Name</u> | <u>Supplement Amount</u> |
|----------------------|--------------------------|
| Jane Doe | \$2,000.00 |
| John Smith | \$1,000.00 |

Contact Information



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