

Recording Cash Recognition Awards

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Change Log

Change Date	Changed By	Description
10/27/2017	A. Walker	Update to reporting longevity awards
01/01/2021	A. Walker	Update document process add new wage type remove additional step paying through AFRS
03/03/2021	J. Gammell	Added New Wage Type code and name

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I. Purpose

The Office of Financial Management is obligated to provide the governor and legislature an annual report detailing all bonuses and performance based incentives awarded to employees. ([RCW 41.06.133 \(4\)](#)). For purposes of this legislatively mandated report, bonuses and performance based incentives include cash awards or lump-sum payments that appointing authorities have discretion to grant to employees in recognition of special job performance, outstanding achievements or accomplishments. Payments such as these do not become a permanent addition to base pay but must be recorded in HRMS. In order for the OFM State HR Division to efficiently produce this legislatively mandated report, we rely on executive branch agencies to accurately code these transactions.

The following HRMS wage type codes specifically identify performance recognition awards which are processed through HRMS as a non-permanent addition to an employee's base pay:

Wage Type Code	Wage Type Text	Description
1024	WSP Trooper of the year	An additional 3% is added to select WSP employees' regular base pay for one year.
1025	WSP Cert Teach of the Yr	
1048	WSP Auto Theft of the YR	
1151	EMS Performance Comp	Payment to an at-will employee to recognize outstanding performance or the achievement of predefined work goals.

Cash or cash-equivalent recognition awards are authorized under [RCW 41.60.150](#) and may not exceed \$200 in value per award. Cash or cash-equivalent recognition awards are not included in retirement calculations as reportable compensation ([RCW 41.60.140](#)) but are taxable under IRS regulations and must be recorded in HRMS. Examples of awards which must be recorded in HRMS include cash or cash-equivalent recognition awards for:

- Outstanding achievements
- Safety performance
- Longevity (Years of Service) awards
- Outstanding public service
- Service as employee suggestion evaluators and implementers

Wage Type Code	Wage Type Text	Description
1146	Cash Recognition	Cash recognition awarded to an employee as a non-permanent addition to their paycheck.
1131	Recog Cash Equiv	Recognition awarded to an employee in the form of cash or a cash-equivalent benefit, such as a gift card or a gift certificate. This wage type allows HRMS to appropriately tax the value of the award without adding additional funds to their paycheck.

II. Recording the Award in HRM

When recording Wage Types 1146 Cash Recognition or 1131 Recog Cash Equiv on the infotype [Additional Payments \(0015\)](#), agencies should indicate in the Assignment Number text field the reason for the recognition (Example: Safety perf., Longevity, Perf. Award, et cetera) so that OFM State HR can appropriately report on the data. Generic text, such as “gift card” or “gift certificate” creates additional research by OFM and unnecessary follow-up reporting by agency staff. For questions, please email StrategicHR@ofm.wa.gov

Basic Personal Data **Payroll** Benefits Time Recording Addtl. Person... > ...

Infotype Text

- Basic Pay
- Recurring Payments/Deductions
- Additional Payments**
- Cost Distribution
- Bank Details
- External Transfers
- Payroll Status
- Residence Tax Area
- Work Tax Area

Period

Period

From To

Today Curr.week

All Current month

From curr.date Last week

To Current Date Last month

Current Period Current Year

Direct selection

Infotype STy

Additional Payments

Wage Type

Amount

Number/unit

Date of origin

Default Date

Assignment Number

Reason for Change