

Incentives and Awards Payments

Use this guide to assist with coding and reporting various incentives and awards payable to employees.

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Additional Resources:

[HRMS Data Definitions](#)

[HRMS Support Hub](#)

[Collective Bargaining Agreements](#)

[RCW 41.60.150](#)

[DCS Withholding from Bonuses and Lump-Sum Payments](#)

One-Time, Lump Sum Payments

There are many different types of one-time, lump sum payments; a few examples include recruitment and retention lump sum amounts, COVID19 Up-to-date incentive payments, or cash (or cash equivalent) recognition awards.

All one-time, lump sum payments are entered into HRMS on the Additional Payments (0015) infotype. Refer to the [Additional Payments – Create One-Time Payment or Deduction](#) user procedure.

When recording one-time, lump sum payments, agencies should populate the Assignment Number field with the reason for the payment. The Assignment Number is a free text field that will soon be available for reporting in Washington Workforce Analytics (WWA).

Additional Payments

| | | | |
|-------------------|------------|------------------|----------|
| Wage Type | 1131 | Recog Cash Equiv | |
| Amount | 30.00 | USD | Ind.val. |
| Number/unit | 0.00 | | |
| Date of origin | 10/15/2018 | | |
| Default Date | 00 | | |
| Assignment Number | Longevity | | |
| Reason for Change | | | |

Note: If you have 30 or more one-time payments to enter, consider using a Winshuttle script. See the [Winshuttle](#) web page for more information.

Note: For assistance determining the appropriate wage type, refer to the [data definitions resource guide](#) and/or HRMS Wage Type Report (ZHR_RPTPY004) for definitions, infotype permissibility, taxability, and more.

Child Support Reporting Requirements for Lump Sum Payments

Beginning July 2023, employers are required to report bonuses and lump sum payments over \$500 to the Division of Child Support (DCS) ahead of the payout. Employers are required to report bonuses prior to payout so that DCS can review if past-due child support exists and provide an updated WA Income Withholding Order that includes a payment amount for past-due child support.

While many types of lump sum payments are entered on the Additional Payments (0015) infotype in HRMS, there are other types of lump sum payments that may be reportable to DCS, such as a retroactive pay increase or leave cash out.

For additional information on the child support reporting requirements and how to report to the Division of Child Support refer to [Withholding from Bonuses and Lump-Sum Payments](#) web page.

The screenshot shows the Washington State Department of Social and Health Services website. The header includes the department name and navigation links. The main content area is titled "Withholding from Bonuses and Lump-Sum Payments" and contains the following information:

- ESA** (Economic Services Administration) - Division of Child Support
- Employer Resources** menu with options: Employer Education, Payments, New Hire Reporting, Income Withholding, **Withholding from Bonuses and Lump-Sum Payments**, Enroll for Child Support Services, and Child Support Modification.
- Withholding from Bonuses and Lump-Sum Payments** section:
 - Bonuses and lump-sum payments:** Effective July 23, 2023, employers are required to report bonuses and lump sum payments to the Division of Child Support (DCS) per House Bill 1262. This requirement only applies to employees with a current WA Income Withholding Order that includes a payment amount for past-due child support.
 - What type of lump sum payments need to be reported?:**
 - All lump sum payments that are more than \$500 must be reported. Employers may report payments less than \$500 or unknown amounts.
- Enroll for child support services** banner with a photo of a woman and child.
- Quick Links** section with items: Pay Your Child Support, Receive Your...

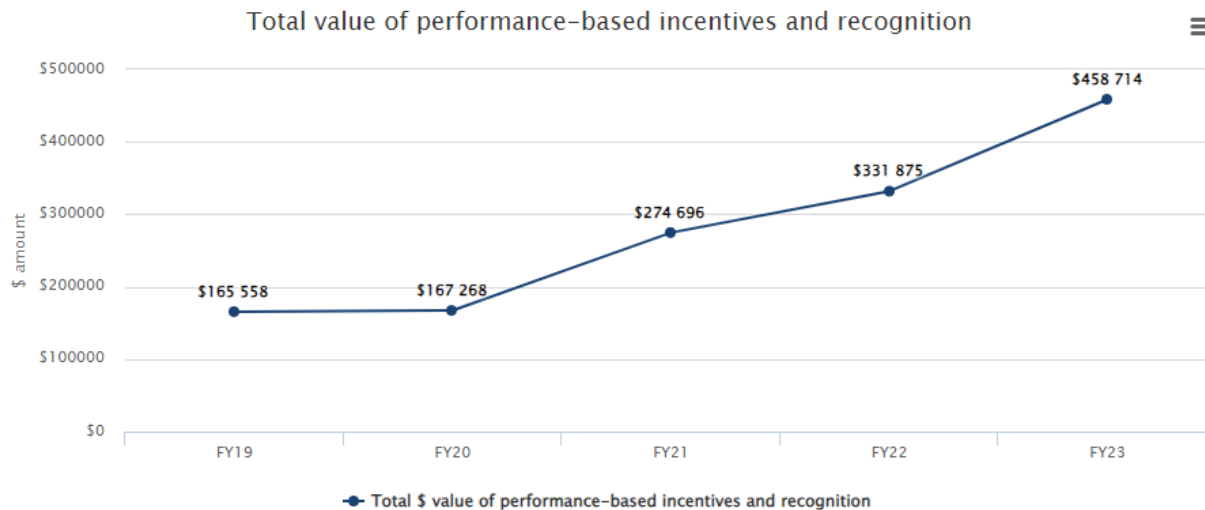
Performance Based Incentives & Recognition Awards

Beginning fiscal year 2023, the Office of Financial Management is reporting performance-based incentives and recognition awards on the [Workforce Data & Trends website](#).

The [Performance Based Incentives and Recognition Awards](#) webpage replaces the annual legislative report with the same name.

OFM will continue to annually review the data. Agencies are still required to enter their incentives and award payments in HRMS and may be asked to verify and provide additional explanation about the payments.

Performance-based incentives and recognition awards trends for the past 5 years



Sample chart. Refer to [Performance Based Incentives and Recognition Awards](#) webpage for current data.

Performance Based Incentives & Recognition Awards cont...

The following wage types are included in the Performance Based Incentives and Recognition Awards web page. Other payments (such as recruitment and retention payments, vaccination incentives, or additional lump sum payments authorized through CBA or enacted budgets) are not included at this time.

| Wage Type Code | Wage Type Text | Type of Payment | Description |
|----------------|--------------------------|-----------------------|---|
| 1024 | WSP Trooper of the year | Recurring | An additional 3% is added to select WSP employees' regular base pay for one year. |
| 1025 | WSP Cert Tech of the Yr. | Recurring | |
| 1048 | WSP Auto Theft of the YR | Recurring | |
| 1131 | Recog Cash Equiv | One-time | 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. |
| 1146 | Cash Recognition | One-time | Cash recognition awarded to an employee as a non-permanent addition to their paycheck. |
| 1151 | EMS Performance Comp | One-time or recurring | Payment to an at-will employee to recognize outstanding performance or the achievement of predefined work goals. Can be entered as a recurring payment. |

Cash or cash-equivalent recognition awards (such as gift cards) 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:

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