



SOUTH DAKOTA  DEPARTMENT OF CORRECTIONS POLICY AND PROCEDURE		POLICY NUMBER 200-04	PAGE NUMBER 1 OF 4
		DISTRIBUTION: Public	
		SUBJECT: Employee Incentives	
RELATED STANDARDS: None		EFFECTIVE DATE: 03/15/2026	
		SUPERSESION: New Policy	
DESCRIPTION: Personnel	REVIEW MONTH: February	 NICK LAMB SECRETARY OF CORRECTIONS	

I. POLICY

It is the policy of the South Dakota Department of Corrections (DOC) to attract high-quality candidates by making job offers more appealing, filling positions more quickly, and maintaining market competitiveness. Employee recruitment incentives may be offered to attract, recruit, or secure new employees, especially for positions that are more difficult to fill.

II. PURPOSE

The purpose of this policy is to define the incentives that are available, the eligibility requirements, the approval and distribution process, and the conditions for which the incentive may need to be repaid. In addition, the policy considers all employee incentives as taxable income according to IRS regulations with the recipient being responsible for any applicable payroll taxes.

III. DEFINITIONS

Moving Allowance:

An incentive designed to assist in the recruitment of new DOC employees by assisting in the payment of reallocation expenses.

Obligation Recovery Center:

A central repository for identification, registration, oversight, and collection of debts owed to any agency or department of the state.

Referral Bonus:

A financial incentive designed to assist in the recruitment of staff by current employees who refer qualified candidates.

Sign-On Bonus/Hiring Incentive:

A hiring incentive designed to attract qualified candidates for difficult to fill positions.

IV. PROCEDURES

1. Employee Incentives:

A. Moving Allowance:

1. Eligibility.
 - a. The person being recruited may receive a household moving allowance for moving greater than fifty (50) miles to the person's headquarter duty station.
 - b. Candidates that fill an open uniformed security staff or nursing position will receive:

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- i. Half of the month's salary for moves within the state of South Dakota.
 - ii. Full month's salary for moves from another state.
 - c. Moving allowance amounts for all other open positions will require the approval of the division director and the director of finance & administration and will not exceed three (3) months' salary.
 - d. The amount must be listed in the offer letter to the employee, or the moving allowance will not be approved for payment.
- 2. Approval Process.
 - a. The moving allowance amount will be discussed with qualified applicants upon the offer of a position.
 - b. The amount will be included in the employment offer letter.
 - c. On the applicant's first day of employment, the Household Moving Allowance application (https://sdsos.gov/about-the-office/board-of-finance/bof-docs/Household_Moving_Allowance%2020240701fillable.pdf) must be signed by the applicant and secretary of corrections (SOC) or designee.
 - d. The moving allowance will be paid to the new hire upon completion of the Moving Allowance form.
- 3. Conditions.
 - a. The moving allowance is subject to available funding and may be discontinued at any time. An effort will be made to provide notice when possible.
 - b. If the employee leaves the employ of the state, the employee must repay the state a portion of the moving allowance, unless the employee is unable to continue in the position due to illness, injury, or dismissal.
 - 1) One hundred percent (100%) returned if employed for six (6) months or less.
 - 2) Seventy-five percent (75%) returned if employed for greater than six (6) months up to twelve (12) months.
 - 3) Fifty percent (50%) returned if employed for greater than twelve (12) months up to eighteen (18) months.
 - 4) Twenty-five percent (25%) returned if employed for greater than eighteen (18) months up to twenty-four (24) months.
 - 5) Zero percent (0%) returned if employed for greater than twenty-four (24) months.

B. Referral Bonus:

- 1. Eligibility.
 - a. Department of Corrections employees that are not involved in the hiring process of the open position are eligible to receive a fifteen hundred dollar (\$1,500) referral bonus.
 - b. The payment of the bonus is at the discretion of the warden or equivalent and will only be paid for genuine referrals of qualified candidates who may not have otherwise applied.
- 2. Approval Process.
 - a. If a current employee refers a qualified candidate for an open position, the candidate will need to apply for the open position and list the current employee's name as a reference on their application.
 - b. If the application does not have the referring employee's name listed as the reference, no referral bonus will be paid.
 - c. If the candidate is hired and successfully graduates from the Basic Training Academy, the current, referring employee will receive half of the referral bonus, or seven hundred fifty dollars (\$750), subject to applicable payroll taxes. The remaining seven hundred fifty dollars (\$750) bonus is paid after the candidate has successfully completed six (6) months of consecutive employment with the department.
 - d. There is no limit to the number of times a current employee can receive the referral bonus.
- 3. Conditions.
 - a. The referral bonus is subject to available funding and may be discontinued at any time. An effort will be made to provide notice when possible.

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C. Hiring Incentive for Clinical Services Applicants:

1. Eligibility.
 - a. A qualified applicant who remains employed full-time with the DOC for twenty-four (24) consecutive months as outlined in the *Hiring Incentive Agreement* (attachment #1).
 - b. Currently, the DOC offers sign-on bonuses for difficult to fill positions including nursing positions and behavioral health positions.
2. Approval Process.
 - a. Upon acceptance of the position, the employee and the health services administrator (HSA) sign the Hiring Incentive Agreement.
 - b. Mental health professionals and registered nurses qualify for a ten thousand dollar (\$10,000) hiring incentive.
 - 1) The first incentive payment, totaling five thousand dollars (\$5,000), will be paid on the first regular payday after the effective date of the Hiring Incentive Agreement.
 - 2) The second and final incentive payment, totaling five thousand dollars (\$5,000), will be paid on the first regular payday after the employee has been employed by the DOC for six (6) months.
 - c. Chemical dependency and licensed practical nurses qualify for a five thousand dollar (\$5,000) hiring incentive.
 - 1) The first incentive payment, totaling two thousand five hundred dollars (\$2,500) will be paid on the first regular payday after the effective date of the Hiring Incentive Agreement.
 - 2) The second and final incentive payment, totaling two thousand five hundred dollars (\$2,500), will be paid on the first regular payday after the employee has been employed by the DOC for six (6) months.
3. Conditions.
 - a. The sign-on bonus is subject to available funding and may be discontinued at any time. An effort will be made to provide notice when possible.
 - b. If the employee does not remain employed full-time, for any reason, for twenty-four (24) consecutive months of their start date, the entire amount of the sign-on bonus must be repaid.
 - c. Employees that receive the sign-on bonus must maintain a satisfactory attendance record.
 - d. If the employee is on a work improvement plan or has a document letter of reprimand when an incentive payment is scheduled for payout, the employee will not receive the incentive payment as it will be forfeited.

2. Repayment of Employee Incentives:

A. First Letter of Notice:

1. The DOC will send a first notice letter to any person that was employed by the department that did not meet the conditions for the employee incentive and is required to pay the incentive back.
 - a. The first letter of notice is sent immediately upon notification that an employee has left the employ of the department.
 - b. The letter will indicate the amount owed and include a copy of the signed agreement or form.

B. Second Letter of Notice:

1. The DOC will send a second notice letter to any person that was employed by the department that did not meet the conditions for the employee incentive and is required to pay the incentive back.
 - a. The second letter of notice is sent if the person has not made a payment, set up payment arrangements, or contacted the DOC within twenty (20) days of the first letter of notice.
 - b. The letter will indicate the amount owed and include a copy of the signed agreement or form.

C. Final Letter of Notice:

1. The DOC will send a final notice letter to any person that was employed by the department that did not meet the conditions for the employee incentive and is required to pay the incentive back.
 - a. The final letter of notice is sent if the person has not made a payment, set up payment arrangements, or contacted the DOC within twenty-five (25) days of the second letter of notice.
 - b. The letter will indicate the amount owed and include a copy of the signed agreement or form.

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D. Obligation Recovery Center:

1. The DOC will send the debtor information to the Obligation Recovery Center after three (3) attempts to collect the debt.
 - a. The Obligation Recovery Center may assess a twenty percent (20%) cost recovery fee to the principal amount of debt referred to the center.
 - b. Once the debt is turned over to the Obligation Recovery Center, the center will work to collect the bad debt. Among other powers, the center may sue, file liens, enter into payment agreements, and prevent a person that owes the debt from renewing, obtaining, or maintaining state issued licenses, registrations, and permits.

V. RESPONSIBILITY

The deputy secretary is responsible for the annual review and maintenance of this policy.

VI. AUTHORITY

- A. SDCL § 1-55 OBLIGATION RECOVERY CENTER.
- B. SDCL § 3-9-12 Household moving allowance--State hiring--Eligibility and amount.
- C. ARSD 5:01:07 HOUSEHOLD MOVING ALLOWANCES.

VII. HISTORY

March 2026 – New policy

ATTACHMENTS

1. Hiring Incentive Agreement

HIRING INCENTIVE AGREEMENT

POSITION

The South Dakota Department of Corrections referred to as "Agency" and **EMPLOYEE NAME**, referred to as "Employee," enter into the following Hiring Incentive Contract, hereinafter "Agreement."

Purpose

This agreement aims to establish terms under which an incentive will be given to the employee who remains employed full-time as a **POSITION** with the agency for twenty-four (24) consecutive months. For purposes of this agreement, "full-time" means the employee is a .9 full time equivalent (FTE) or higher and is scheduled to work a minimum of thirty-six (36) hours per workweek.

Terms of the agreement:

1. This Agreement's effective date shall be when the agency signs this agreement. Once both parties sign, the agreement will be filed with the South Dakota Bureau of Human Resources & Administration (BHRA).
 - a. The first incentive payment of fifty percent (50%), totaling \$ _____, will be made on the first regular payday after the effective date of this agreement. The second and final incentive payment of fifty percent (50%), totaling \$ _____, will be made on the first regular payday after the employee has been employed by the agency as a **POSITION** for six (6) months. All incentive payments are subject to the standard deductions.
2. In consideration for the receipt of the incentive outlined in paragraph 1 of this agreement, the employee agrees to remain employed full-time with the agency as a **POSITION** with the Department of Corrections for twenty-four (24) consecutive months after their start date. In addition to being actively employed full-time, the employee must maintain a satisfactory attendance record. If the employee is on a work improvement plan or has a documented letter of reprimand (LOR) when an incentive payment is scheduled for payout, the employee will not receive the incentive payment as it will be forfeited.
3. If the employee does not remain employed full time, for any reason, for twenty-four consecutive months as outlined in paragraph 2 of this agreement, the employee forfeits any hiring incentive and must pay back any received payments. Once the employee has met the terms of paragraph 2 of this agreement, all obligations of the employee under this agreement are fulfilled.
4. This agreement does not guarantee employment, and the employee's employment is governed by the laws and administrative rules of the State of South Dakota.

EMPLOYEE

DATE

HSA

DATE

CHIEF OF CLINICAL

DATE

HR MANAGER

DATE