



**Policy Purpose**

To retain and reward employees for their years of service to the city and following their department safety policies.

- I. **General**

In order to attract and retain a talented workforce, Salt Lake City Corporation will offer awards for years of service and to employees who retire from the organization.
- II. **Awards for Years of Service**
  - a. Human resources will provide employee years of service information to departments on a quarterly basis.
  - b. Employee recognition for years of service should be managed and budgeted for by each department according to the following schedule.
    - i. Completion of 10<sup>th</sup> year of city service - A letter of congratulations, certificate of recognition and a \$100 gift card will be provided to each employee.
    - ii. Completion of 20<sup>th</sup> year of city service - A letter of congratulations, certificate of recognition and a \$200 gift card will be provided to each employee.
    - iii. Completion of 30<sup>th</sup> year of city service - A letter of congratulations, certificate of recognition and a \$300 gift card will be provided to each employee.
  - c. Departments are responsible for issuing the letter of congratulations and certificate of recognition to each employee as well as presenting the years of service award.
  - d. A length-of-service award if received for less than 5 years of service or if an employee received another length-of-service award during the year or the previous 4 years will be taxable (IRS Pub 525.).
- III. **Awards for Safety in the Workplace**
  - a. Departments may reward employees for following their department safety policies.
  - b. Awards will be limited to gift cards, meal vouchers or other items determined by the department.
  - c. A safety achievement award, if you are a manager, administrator, clerical employee, or other professional employee or if more than 10% of eligible employees previously received safety achievement awards during the year will be taxable (IRS Pub 525.).
- IV. **Awards for Retirement**
  - a. The department of the retiring employee may offer a retirement event, spending up to \$200 for food for use at the retirement event or a retirement award of a \$200 gift certificate.
  - b. This retirement award will be made available only if the employee provides a minimum of a 30 day written notice of retirement to their supervisor and completes an exit interview with the human resources department.
- V. **Employee Achievement Award**
  - a. If an employee received tangible personal property (other than cash, a gift certificate, or an equivalent item) as an award for length of service or safety achievement, you generally can exclude its value from their income. However, the amount they can exclude is limited to your employer's cost and cannot be more than \$1,600 (\$400 for awards that are not qualified plan awards) for all such awards they receive during the year. The award must be part of a meaningful presentation, under conditions and circumstances that do not create a significant likelihood of it being disguised pay (IRS Pub 525.)
- VI. **Gift Card Procurement**
  - a. All gift card awards must be purchased through the City-contracted gift card vendor.



### **Policy 3.03.04: Employee Service and Safety Awards**

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- b. All gift cards are taxable compensation and must be processed through the City's payroll system (as required by [IRS Publication 15](#)). The City will pay all income and employment taxes relating to the gift card.
- c. Employees will provide an email address to receive the gift card. A cash bonus may be paid to the employee (through payroll) in lieu of a gift card, if the employee chooses.

#### Current References:

[Policy 2.01.01 Expenditure of Public Funds](#)

IRS Publication 525

Approved and passed this 31<sup>st</sup> date of August, 2018