

**City of Amarillo**  
**Personnel Policies and Procedures**

Policy Title: Employee Referral Incentive Pilot Program

Policy Number: 2000

Effective Date: May 1, 2022 – March 31, 2023

Approved by: Jared Miller, City Manager  
Mitchell Normand, Director of Human Resources

**I. Purpose**

The purpose of this policy is to establish the requirements for participation in the City’s employee referral Incentive program. This policy is only effective when the Citywide staffing levels are 89% or below for more than two consecutive months.

**II. Scope**

This policy is applicable to all employees, with the exception of personnel in positions in pay grades G21 through G23, ranks of Police Captain and District Fire Chief or higher, or positions on the Executive and Managerial Salary Schedule.

**III. Definitions**

Applicant – an external candidate for employment with the City that successfully hires into a full-time position with the City of Amarillo.

Referring employee – an employee actively on the City’s payroll.

Referral payment – the approved payments a referring employee will receive contingent on the applicant’s employment status with the City of Amarillo.

**IV. Procedures**

Employees that refer an applicant that hires into a full-time position with City is eligible to receive up to a total of \$1,000.

This policy is only effective when the citywide staffing level is 89% or lower for more than two consecutive months. A referring employee is eligible for the referral payments if the applicant submitted their application for employment with the City during the effective dates of this policy and if the applicant starts working for the City no later than 30 days after the effective date of this policy. If citywide staffing levels reach 90% or greater during the applicant’s employment, the referring employee is still eligible to receive the referral payments in accordance with this policy.

**Applicant Responsibility**

- a. The applicant must list the employee’s legal name on the application submitted for the position they are applying.
- b. The applicant must successfully pass all background screenings and be placed on the City’s payroll to be considered an employee. The extension of a conditional offer does not constitute employment with the City.
- c. If an applicant separates service from the City within two years from the original date of hire for which a referring employee may receive the benefits of this policy, no other City

employees are eligible for the referral payments if the former employee reapplies for a City position.

Example: John is an applicant that lists his friend Sally, a current City employee, as a referral on his application for a position he was hired for on 01/01/2022. If John leaves the City before 01/01/2024 and reapplies for a position for the City before 01/01/2024, anyone he lists on his application is not eligible for the referral payments.

#### Referring Employee Responsibility

It is the responsibility of the referring employee to notify the appropriate staff when a referred applicant is hired in a full-time position with the City of Amarillo.

- d. An employee that referred an applicant to the City of Amarillo must notify their department designee of the applicant's name. The designee will notify Human Resources for Human Resources to confirm the referral is reflected on the applicant's application for the position they were hired. Once employment is confirmed, the referring employee will receive a \$50 payment on their paycheck the first full payday of the month following the date the applicant's effective hire date.
- e. The referring employee must notify their department designee once the applicant has been with the organization six months. The designee will notify Human Resources. Upon confirmation the applicant has successfully completed six consecutive months of employment, the referring employee will receive a \$200 payment on their paycheck for the first full pay period of the month following the applicant's six-month anniversary date.
- f. The referring employee must notify their department designee once the applicant has been with the organization for one consecutive year. The designee will notify Human Resources. Upon confirmation the applicant has successfully completed one year of employment, the referring employee will receive a \$750 payment on their paycheck for the first full pay period of the month following the applicant's annual anniversary date.
- g. To be eligible for referral payments, the referring employee must be an active employee on the City's payroll at the time the City would tender payment of the referral payment.

#### Funding of Referral Payments

- h. The department that hires the applicant will be responsible for funding the referral payments. Human Resources will provide a master list of all referral payments made to Finance to coordinate the necessary fund transfers to the appropriate accounts.

#### Taxes and Deductions

- i. For payments made under this policy, the City will "gross up" the payment to ensure the net amount received by the employee is equal to the amount of payment indicated in this policy. In the "gross up" calculation, the City will cover the applicable FICA (Social Security and Medicare) taxes and mandatory retirement contributions (i.e. TMRS, AFRRF, etc.). The City will not cover the additional Federal Income Tax (FIT) withholding amount caused by the gross payment. The "gross up" amount, which includes adjustments for FICA and mandatory retirement, will be considered income for Federal Income Tax purposes and included on the employee's W-2.

#### **V. Disputes**

Any disputes on the interpretations or application of this referral program will be investigated and resolved by the Human Resources Department.

#### **VI. Exceptions**

The City Manager reserves the right to modify, override, or supplement this policy at any time.