

**CITY OF TEMECULA  
ADMINISTRATIVE GUIDELINE**



<b>Title:</b>	Referral Incentive	<b>Issued:</b>	01/12/2022
<b>Responsible Dept/Division:</b>	Human Resources	<b>Revised:</b>	03/02/2022
<b>Forms:</b>		<b>Revised:</b>	
<b>Approval:</b>	<i>Aaron Adams</i>	<b>Revised:</b>	

**PURPOSE:**

Recruitment and retention incentives are a critical compensation tool to attract and retain high quality individuals for whom the City is competing and for difficult to fill positions. The City Manager recognizes the challenges presented by today’s labor market, and has approved the implementation of an incentive program to assist in the recruitment, appointment, and retention of qualified candidates for designated classifications subject to funding approved by the City Council.

**SCOPE:**

The referral incentive encourages current City employees to recommend qualified candidates to apply for open City positions. This guideline applies to current, non-management employees who refer candidates that are subsequently hired and successfully complete all incentive related requirements. For the purposes of this guideline, “current employees” shall be defined as employees that are presently collecting an income from the City of Temecula for work actively being performed or while on federally- or state-protected leave. Employees on Terminal Leave shall not be eligible for a referral incentive as outlined in this guideline.

**GUIDELINE:**

1. The City Manager or designee may authorize the use of recruitment and/or retention incentives as a tool to attract and retain highly qualified, performance-oriented individuals for specific job classifications.
2. The City Manager or designee has the authority to:
  - a) Designate specific classifications as incentive eligible;
  - b) Approve recruitment incentives during active recruitments;
  - c) Approve classifications eligible to receive retention incentives;
  - d) Determine the applicability and duration of the incentives for each classification;
  - e) Add or delete incentive eligible classifications based on organizational need;
  - f) Suspend this program should incentives no longer be required or appropriate.
3. Human Resources will maintain record of classifications designated as incentive eligible.

4. Recruitment and retention incentives may apply under, but are not limited to, the following circumstances:
  - a) Classification has been identified as having high turnover or difficult to fill;
  - b) Recruitment fails to generate an adequate number of qualified applicants;
  - c) The labor market is more competitive due to a shortage of qualified applicants in certain fields of work;
  - d) Technical expertise, certifications, licensing, and/or advance education requirements limit the pool of qualified applicants;
  - e) Competition from the public sector and surrounding local agencies making it difficult to attract and retain talent.

5. Hiring Managers who wish to include a referral incentive on an active recruitment, must request to do so on the Personnel Requisition.

#### 6. Referral Incentive

A referral incentive will be paid to an employee when a referred candidate is hired into an incentive eligible classification and successfully completes all incentive-related requirements. Employees may receive up to 3 referral incentives per fiscal year.

To receive the referral incentive, the following criteria must be met:

- a) The referring employee must be actively employed by the City. Employees in a dormant status may participate in the referral incentive program and will receive the incentive payment upon reinstatement.
- b) Referred candidates cannot be current City of Temecula employees.
- c) The referred candidate must provide the referring employee's name on their submitted employment application. Only one referral may be submitted for each newly hired employee who meets the criteria outlined in this guideline.
- d) The referring employee must confirm with Human Resources in writing when they've referred a candidate. The name of the referring employee must match the name listed on the candidate's employment application.
- e) Employees serving in Human Resources, the direct supervisor of the newly hired employee, Managers, Executives and City Council are not eligible to receive the referral incentive as these positions are expected to support City recruitment activities in the normal course of their duties.

#### 7. Eligibility Requirements

The Hiring Department and/or Human Resources will determine the requirements necessary to receive the incentive pay. Incentive requirements may vary by classification and will be detailed on the official job announcement and in the new hire's offer letter.

8. Incentive Payments

The amount, frequency and timing of incentive payments will be established by classification and approved by the City Manager or designee.

The referral incentive will generally be paid in two increments - the first following the referred candidate's hire, and the second following their successful completion of all incentive-related requirements.

Each incentive payment will be considered taxable income and subject to appropriate withholdings. Incentive payments will not be considered earnable compensation for purposes of CalPERS reporting.

9. The incentive program is contingent upon available funding in accordance with the operating budget approved by the City Council and may be terminated at any time.