“...for the purpose of encouraging public service and for continued service in the state government workforce.”

Q. Which employees qualify for the one-time stipend?

A. Active, regular benefit and/or leave eligible employees hired before March 24, 2011 qualify for a one-time payment.

Q. What is the definition of hire date?

A. The hire date is defined as the most recent continuous benefit/leave eligible hire date in state government/university system for the employee and does not include any prior service with the state/university if employee has had a break in employment. Therefore, if you terminated and severed your health and/or leave benefits and then you returned to state or university system employment on or after March 24, 2011, you will not be eligible for the one-time stipend. If you terminated and severed your health and/or leave benefits and then you returned to state or university system employment during the period of eligibility, you will receive the one-time stipend based on the current continuous hire date and the percent for calculation will be based on the tiered percentages.

Q. What are the guidelines of the tiered percentages?

A. There are three tiers within the approved legislation. They include the following:

- Employees with a hire date before March 24, 2009 will receive 5% of their annualized salary.
- Employees with a hire date between March 24, 2009 and March 23, 2010 will receive 3.4% of their annualized salary.
- Employees with a hire date between March 24, 2010 and March 23, 2011 will receive 1.7% of their annualized salary.

Q. Does the one-time stipend need to be prorated for those that are part-time?

A. The legislative action allows for regular part-time employees the ability to be eligible for the one-time stipend and requires the calculation of the stipend to be based on their prorated employment status.

Q. How do you define annualized salary?

A. The annualized salary for salaried employees is calculated based on the employee’s current base salary as of March 23, 2012 and prorated according to the FTE.

The annualized salary for regular full-time hourly employees will be based on the hourly rate multiplied by 2096 hours for the fiscal year. The annualized salary for regular part-time hourly employees will be based on the hourly rate multiplied by prorated hours for the fiscal year. The hourly rate will be as of March 23, 2012.

Q. What does the floor and ceiling mean and how does it impact employees?

A. The floor that the legislature approved is $46,000 and the ceiling is $150,000. Therefore, if an employee’s annualized salary is less than $46,000, $46,000 will be used as the annualized salary for the purpose of calculating
the one-time stipend. In addition, if an employee’s annualized salary is greater than $150,000, $150,000 will be used as the annualized salary for the purpose of calculating the payment.

**Q. What are some examples of calculating the one-time stipend?**

A. Regular Full-time Hourly Employee Example -

Employee A has a hire date of January 1, 1999, works in a regular full-time position and earns $12.00 per hour.

The calculation would take the hourly rate and multiply it by 2096 to arrive an annualized salary to determine if the salary is at or above the floor. If the annualized salary is less than the floor, the floor will be used to calculate the one-time stipend.

1. $12.00 x 2096 = $25,152
2. $25,152 is less than $46,000
3. $46,000 will be the Employee Calculated Salary
4. Continuous Hire January 1, 1999 – Employee eligible for a 5% one-time stipend
5. $46,000 x 5% = $2,300 gross one-time payment

B. Regular Part-time Hourly Employee Example -

Employee B has a hire date of January 1, 1999, works as a ½ time employee and earns $12.00 per hour.

The calculation would take the hourly rate and multiply it by (2096) to arrive an annualized salary to determine if the salary is at or above the floor. If the annualized salary is less than the floor, the floor will be used multiplied by the 0.50 FTE to calculate the one-time stipend.

1. $12.00 x 2096 = $25,152
2. $25,152 is less than $46,000
3. $46,000 will be the Employee Calculated Salary
4. Continuous Hire January 1, 1999 – Employee eligible for a 5% one-time stipend
5. Employee works 0.50 FTE which was calculated based on the 20 hours per week
6. $46,000 x 5% = $2,300 x 0.50 = $1,150 gross one-time payment

C. Regular Full-time Salaried Employee Example -

Employee C has a hire date of January 1, 2010, works full time and earns an annual salary of $50,000.

1. $50,000 Annualized Salary
2. $50,000 is greater than the floor and less than the ceiling
3. $50,000 will be the Employee Calculated Salary
4. Continuous Hire January 1, 2010 – Employee eligible for a 3.4% one-time stipend
5. $50,000 x 3.4% = $1,700 gross one-time payment

D. Regular Full-time Salaried Employee Example -

Employee D has a hire date of January 1, 2010, works full time and earns an annual salary of $175,000.

1. $175,000 Annualized Salary
2. $175,000 is greater than the floor and greater than the ceiling ($150,000)
3. $150,000 will be the Employee Calculated Salary
4. Continuous Hire January 1, 2010 – Employee eligible for a 3.4% one-time stipend
5. $150,000 x 3.4% = $5,100 gross one-time payment

E. Regular Part-time Salaried Employee Example -

Employee E has a hire date of January 1, 2010, works part-time (0.50 FTE) and earns an annual salary of $20,000.

1. $20,000 Annualized Salary (based on 0.50 FTE)
2. $20,000 divided by 0.50 FTE equals $40,000
3. $40,000 is less than the floor ($46,000) and less than the ceiling
4. $46,000 will be the Employee Calculated Salary
5. Continuous Hire January 1, 2010 – Employee eligible for a 3.4% one-time stipend
6. $46,000 x 3.4% x 0.50 = $782 gross one-time payment

Q. When can I expect to see my one-time stipend?
A. The one-time stipend will be paid to employees as part of the regular monthly March payroll and the payroll date will be March 30, 2012.

Q. How will my one-time stipend be impacted by payroll deductions?
A. Because this one-time stipend has to be reported on the W2 the following deductions must be made - Federal Income Tax, Social Security, Medicare and Retirement.

Employees have the ability to maximize their one-time stipend through the use of pre-tax deductions due to the monthly payroll processing. Employees may also wish to modify their supplemental retirement deductions or their federal income tax withholding and can do so by March 12, 2012.

To modify your 403(b) deduction, go to [http://myretirement.sdbor.edu](http://myretirement.sdbor.edu) and to modify your 457 plan, please contact June Larson at 605-224-2230. If you desire to modify your federal income tax withholdings, please go to the employee SNAP portal at [http://snap.sdbor.edu](http://snap.sdbor.edu), login and go to the employee tab, and select ‘Change W4 Information’.

Q. Who do I contact if I have questions about this stipend and my pending retirement?
A. If you are considering retirement in the near future, you should contact South Dakota Retirement System to determine the impact of the one-time payment on your benefit calculation. Please call 773-3731 or visit the website at [sdrs.sd.gov](http://sdrs.sd.gov).

Q. If I have other questions regarding my one-time stipend, hire date or other deductions, who should I contact?
A. If you have additional questions that have not been resolved in this FAQ, please contact your local Human Resources Office.