

NORTH CAROLINA GENERAL ASSEMBLY
1963 SESSION

CHAPTER 1047
SENATE BILL 608

1 AN ACT TO ESTABLISH AN INCENTIVE AWARD PROGRAM FOR STATE
2 EMPLOYEES.

3
4 The General Assembly of North Carolina do enact:

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6 **Section 1.** Incentive Award Program Established; Purpose. An incentive award
7 program for State employees is hereby established. The purpose of the program is to achieve
8 greater efficiency and economy in State government by utilizing a system of awards to
9 encourage State employees to participate, through suggestions, inventions, superior
10 accomplishment, or continuous high-level performance, in the improvement of governmental
11 efficiency and economy.

12 **Sec. 2.** State Personnel Council to Adopt Rules and Regulations Governing
13 Program. The State Personnel Council is empowered and directed to formulate, establish, and
14 maintain for a period of two (2) years from the effective date of this Act, plans for the operation
15 of the incentive award program. The Council is empowered to adopt and promulgate rules and
16 regulations, not inconsistent with this Act, governing the operation of the program, including,
17 but not limited to, the nature of the awards to be conferred, the eligibility of State employees
18 participating in the program, the character and quality of suggestions, inventions,
19 accomplishments and performances to be submitted, procedures for making nominations for
20 awards and for review of nominations, methods of determining the savings resulting from the
21 adoption of a suggestion or from other employee action, and procedures for setting the amounts
22 of cash awards.

23 **Sec. 3.** State Employees' Incentive Awards Committee; Appointment; Term of
24 Office; Compensation; Duties. There is hereby created a State Employees' Incentive Awards
25 Committee, to be appointed by the Governor, and to consist of five State officials or
26 employees, at least one of whom shall be a representative of a State employee association.
27 Members of the Committee shall be appointed for a term of two (2) years to begin July 1, 1963.
28 Members of the Committee shall serve without pay, but shall be reimbursed for actual and
29 necessary expenses incurred in the performance of their duties under this Act. The State
30 Employees' Incentive Awards Committee is responsible for approving all awards under the
31 incentive award program, and no award shall be conferred until it has been submitted to and
32 approved by the Committee. All cash awards shall also be approved by the Advisory Budget
33 Commission. The Director of Personnel shall detail and assign for the use of the Incentive
34 Awards Committee such facilities and personnel as the Committee shall require for the
35 performance of its duties.

36 **Sec. 4.** Awards, (a) Meritorious Service Awards. Meritorious service awards shall
37 consist of certificates, or such other appropriate insignia or devices as the State Personnel
38 Council may provide for by regulations adopted pursuant to the authority conferred in this Act.
39 Meritorious service awards may be conferred upon an individual for superior accomplishment,
40 continuous high-level performance, or for suggestion or invention which results in improved
41 service to the public. Group honorary awards may be made to groups of employees who, as a
42 group, make valuable suggestions or inventions, or who achieve such high accomplishment or
43 standard of performance as to deserve special recognition.

1 (b) Cash Awards. Cash awards may be made only when the suggestion, invention,
2 accomplishment, or performance results in a clearly demonstrable saving to the State, either in
3 terms of actual money, materials, supplies, or equipment, or when it increases the work-
4 capacity of employees so as to make possible more work without an increase in personnel. All
5 cash awards shall be paid from savings resulting from the adoption of the suggestion or other
6 employee action upon which the award is based. The amount of the cash award shall be
7 determined and approved as herein provided, but in no case shall it exceed ten per cent (10%)
8 of the savings resulting during the first year following the adoption of the suggestion or other
9 employee action, or a maximum of one thousand dollars (\$1,000.00), whichever is smaller.
10 Cash awards may be made to an individual, or to a group of individuals who worked together to
11 develop the suggestion or other action which is the basis of the award; if a cash award is made
12 to a group of individuals, the total of the sums awarded for any one suggestion or other action
13 shall not exceed the limits set out in this Section.

14 Cash awards are to be made solely in the discretion of the Committee, and do not accrue as
15 a matter of right to any employee.

16 **Sec. 5.** The Incentive Award Program for State Employees is adopted on a two-year
17 trial basis. All of the provisions of this Act, and the plans, programs, rules and regulations
18 adopted pursuant to this Act, shall expire automatically at Midnight, June 30, 1965; however,
19 any awards which have been approved prior to the expiration date of this Act, but which have
20 not been conferred as of that date, shall be conferred as soon as practicable thereafter, but in
21 any event not later than June 30, 1966. For the purposes of this Section, a cash award shall be
22 deemed to have been approved when the Awards Committee shall have formally resolved that
23 the award shall be granted, contingent upon proof of savings effected, even though the amount
24 of the savings effected has not yet been determined, and the amount of the cash awards has not
25 yet been set. The State Employees' Incentive Awards Committee shall continue to operate after
26 the expiration date of this Act solely for the purpose of making such awards as were approved
27 but not made prior to the expiration date. The Committee shall cease to function for all
28 purposes as of Midnight, June 30, 1966, and all awards not made by that time shall be
29 cancelled, and no rights shall accrue to any employee by reason of such cancellation.

30 **Sec. 6.** All laws and clauses of laws in conflict with this Act are repealed.

31 **Sec. 7.** This Act shall become effective July 1, 1963.

32 In the General Assembly read three times and ratified, this the 20th day of June,
33 1963.