

**Chapter 41.60 RCW**  
**STATE EMPLOYEES' SUGGESTION AWARDS AND INCENTIVE PAY**

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**RCW 41.60.010 Definitions.** As used in this chapter:

- (1) "Board" means the productivity board.
- (2) "Delegated authority" means authority delegated to an agency head by the board to design and implement an agency unique employee suggestion program for the agency.
- (3) "Board designee" means an agency head with delegated authority from the board.
- (4) "Employee suggestion program" means the programs developed by the board under RCW 41.60.020.
- (5) "Statewide employee suggestion program" means an employee suggestion program administered by the productivity board.
- (6) "Agency unique suggestion program" means an employee suggestion program designed and administered by an agency head with delegated authority.
- (7) "Teamwork incentive program" means the program developed by the board under RCW 41.60.100 through 41.60.120.
- (8) "State employees" means present employees in state agencies and institutions of higher education except for elected officials, directors of such agencies and institutions, and their confidential secretaries and administrative assistants and others specifically ruled ineligible by the rules of the productivity board. [1999 c 50 s 1; 1993 c 467 s 1; 1987 c 387 s 1; 1983 c 54 s 1; 1982 c 167 s 6; 1977 ex.s. c 169 s 103; 1969 ex.s. c 152 s 3; 1965 ex.s. c 142 s 1.]

**Effective date—1993 c 467:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993." [1993 c 467 s 8.]

**Severability—1982 c 167:** See note following RCW 41.60.015.

**Severability—Nomenclature—Savings—1977 ex.s. c 169:** See notes following RCW 28B.10.016.

**RCW 41.60.015 Productivity board created—Also known as employee involvement and recognition board—Members—Terms—Compensation.** (1) Subject to the availability of amounts appropriated for this specific purpose, there is hereby created the productivity board, which may also be known as the employee involvement and recognition board. The board shall administer the employee suggestion program and the teamwork incentive program under this chapter.

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) The director of financial management or the director's designee;

(c) The director of enterprise services or the director's designee;

(d) Three persons with experience in administering incentives such as those used by industry, with the lieutenant governor, secretary of state, and speaker of the house of representatives each appointing one person by January 1, 2025, or as soon as practicable. The secretary of state's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees; and

(e) Two persons representing state agencies and institutions with employees subject to chapter 41.06 RCW, and one person representing those subject to \*chapter 28B.16 RCW, both appointed by the secretary of state by January 1, 2025, or as soon as practicable.

Members under subsection (2)(d) and (e) of this section shall be appointed to serve three-year terms.

Members of the board appointed pursuant to subsection (2)(d) of this section may be compensated in accordance with RCW 43.03.240. Any board member who is not a state employee may be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060. [2023 c 106 s 1. Prior: 2011 1st sp.s. c 43 s 443; 2011 1st sp.s. c 21 s 30; 2000 c 139 s 1; 1999 c 50 s 2; 1993 c 467 s 2; 1987 c 387 s 2; 1985 c 114 s 1; 1984 c 287 s 72; 1983 c 54 s 2; 1982 c 167 s 1.]

**\*Reviser's note:** Chapter 28B.16 RCW was repealed by 1993 c 281, with the exception of RCW 28B.16.015 and 28B.16.240, which was recodified as RCW 41.06.382. For exemptions to higher education personnel law see chapter 41.06 RCW. RCW 28B.16.015 and 41.06.382 were subsequently repealed by 2002 c 354 s 403, effective July 1, 2005.

**Effective date—Purpose—2011 1st sp.s. c 43:** See notes following RCW 43.19.003.

**Effective date—2011 1st sp.s. c 21:** See note following RCW 72.23.025.

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**Effective date—1985 c 114:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the

support of the state government and its existing public institutions, and shall take effect July 1, 1985." [1985 c 114 s 8.]

**Legislative findings—Severability—Effective date—1984 c 287:**  
See notes following RCW 43.03.220.

**Severability—1982 c 167:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1982 c 167 s 18.]

**RCW 41.60.020 Employee suggestion program—Rules for administration of chapter.** (1) The board shall formulate, establish, and maintain a statewide employee suggestion program and adopt rules to allow for agency unique suggestion programs. Employee suggestion programs are developed to encourage and reward meritorious suggestions by state employees that will promote efficiency and economy in the performance of any function of state government: PROVIDED, That the program shall include provisions for the processing of suggestions having multiagency impact and post-implementation auditing of suggestions for fiscal accountability.

(2) The board shall adopt rules necessary or appropriate for the proper administration and for the accomplishment of the purposes of this chapter. These rules shall include the adoption of a payment award schedule that establishes the criteria for determining the amounts of any financial or other awards under this chapter.

(3) The board shall prepare a topical list of all the productivity awards granted and disseminate this information to the legislature and all state government agencies that may be able to adapt them to their procedures. [2023 c 106 s 2; 1999 c 50 s 3; 1995 c 181 s 1; 1993 c 467 s 3; 1982 c 167 s 7; 1975-'76 2nd ex.s. c 122 s 1; 1969 ex.s. c 152 s 4; 1965 ex.s. c 142 s 2.]

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.030 Employee suggestion program—Determination of award.** The board, or [the] board's designee, shall make the final determination as to whether an employee suggestion award will be made and shall determine the nature and extent of the award based on the payment award scale.

No employee suggestion award may normally be made to an employee for a suggestion which is within the scope of the employee's regularly assigned responsibilities. [1999 c 50 s 4; 1982 c 167 s 8; 1965 ex.s. c 142 s 3.]

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.041 Employee suggestion program—Amount and payment of award—Transfer of funds to general fund.** (1) Cash awards for suggestions generating net savings, revenue, or both to the state shall be determined by the board, or the board's designee, based on

the payment award scale. No award may be granted in excess of ten thousand dollars or 10 percent of the actual net savings and/or revenue generated, whichever amount is less. Savings, revenue, or both, shall be calculated for the first year of implementation.

(2) The board shall establish guidelines for making cash awards for suggestions for which benefits to the state are intangible or for which benefits cannot be calculated.

(3) Funds for the awards shall be drawn from the appropriation of the agency benefiting from the employee's suggestion. If the suggestion reduces costs to a nonappropriated fund or reduces costs paid without appropriation from a nonappropriated portion of an appropriated fund, an award may be paid from the benefiting fund or account without appropriation.

(4) Awards may be paid to state employees for suggestions which generate new or additional money for the general fund or any other funds of the state. The director of financial management shall distribute moneys appropriated for this purpose with the concurrence of the productivity board. Transfers shall be made from other funds of the state to the general fund, in amounts equal to award payments made by the general fund, for suggestions generating new or additional money for those other funds. [2023 c 106 s 3; 1999 c 50 s 5; 1989 c 56 s 1; 1987 c 387 s 3; 1985 c 114 s 2; 1982 c 167 s 9.]

**Effective date—1989 c 56:** "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1989." [1989 c 56 s 7.]

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.050 Appropriations for administrative costs.** The legislature shall appropriate from the personnel service fund for the payment of administrative costs of the productivity board. [2023 c 106 s 4; 2022 c 297 s 950; 2021 c 334 s 967; 2019 c 415 s 960; 2017 3rd sp.s. c 1 s 965; 2015 3rd sp.s. c 4 s 952; 2013 2nd sp.s. c 4 s 970. Prior: 2011 1st sp.s. c 50 s 937; 2011 1st sp.s. c 43 s 473; 1991 sp.s. c 16 s 918; 1987 c 387 s 4; 1985 c 114 s 3; 1983 c 54 s 3; 1982 c 167 s 11; 1975-'76 2nd ex.s. c 122 s 3; 1969 ex.s. c 152 s 6; 1965 ex.s. c 142 s 5.]

**Effective date—2022 c 297:** See note following RCW 43.79.565.

**Conflict with federal requirements—Effective date—2021 c 334:** See notes following RCW 43.79.555.

**Effective date—2019 c 415:** See note following RCW 28B.20.476.

**Effective date—2017 3rd sp.s. c 1:** See note following RCW 43.41.455.

**Effective dates—2015 3rd sp.s. c 4:** See note following RCW 28B.15.069.

**Effective dates—2013 2nd sp.s. c 4:** See note following RCW 2.68.020.

**Effective dates—2011 1st sp.s. c 50:** See note following RCW 15.76.115.

**Effective date—Purpose—2011 1st sp.s. c 43:** See notes following RCW 43.19.003.

**Severability—Effective date—1991 sp.s. c 16:** See notes following RCW 9.46.100.

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**Severability—1982 c 167:** See note following RCW 41.60.015.

*Personnel service fund: RCW 41.06.280.*

**RCW 41.60.080 Employee suggestion program—Contests to encourage participation.** The board and agency heads may design and initiate contests between agencies and between agency suggestion evaluators to encourage participation in the suggestion program at management levels. Any tokens of recognition offered during these contests shall be nonmonetary and shall not be considered an award, or subject to RCW 41.60.030. [1999 c 50 s 6; 1982 c 167 s 12; 1975-'76 2nd ex.s. c 122 s 5.]

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.100 Employee teamwork incentive program—Applications.**  
(1) With the exception of agencies of the legislative and judicial branches, any organizational unit composed of employees in any agency or group of agencies of state government with the ability to identify costs, revenues, or both may apply to the board to participate in the teamwork incentive program as a team. The application shall have the approval of the heads of the agency or agencies within which the team is located.

(2) Applications shall be in the form specified by the board and contain such information as the board requires. This may include, but is not limited to, quantitative measures which establish a database of program output or performance expectations, or both. This database is used to evaluate savings in accordance with RCW 41.60.110. [1999 c 50 s 7; 1993 c 467 s 4; 1989 c 56 s 2; 1987 c 387 s 5; 1985 c 114 s 4; 1982 c 167 s 2.]

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**Effective date—1989 c 56:** See note following RCW 41.60.041.

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.110 Employee teamwork incentive program—Evaluation of savings.** To qualify for a teamwork incentive program award for its employees, a team must identify the net savings, revenue, or both, accomplished during the project period. The calculations of net savings, revenue, or both, are not final until approved by the agency head, who may modify the team's calculations. The board may by rule establish criteria to be used in calculating net savings, revenue, or both. [1999 c 50 s 8; 1993 c 467 s 5; 1989 c 56 s 3; 1987 c 387 s 6; 1985 c 114 s 5; 1982 c 167 s 3.]

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**Effective date—1989 c 56:** See note following RCW 41.60.041.

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.120 Employee teamwork incentive program—Awards.** The agency head may recommend an award amount to the board. Cash awards for suggestion teams shall be up to 25 percent of the actual net savings and/or revenue generated to be shared by the team in a manner approved by the agency head, not to exceed \$10,000 per team member. The board shall make the final determination as to whether an award will be made in accordance with applicable rules governing the teamwork incentive program. Awards will be based on the payment award scale. Funds for the teamwork incentive award shall be drawn from the agencies in which the unit is located or from the benefiting fund or account without appropriation when additional revenue is generated to the fund or account.

Awards may be paid to teams for process changes which generate new or additional money for the general fund or any other funds of the state. The director of the office of financial management shall distribute moneys appropriated for this purpose with the concurrence of the productivity board. Transfers shall be made from other funds of the state to the general fund in amounts equal to award payments made by the general fund, for innovations generating new or additional money for those other funds. [2023 c 106 s 5; 1999 c 50 s 9; 1993 c 467 s 6; 1989 c 56 s 4; 1987 c 387 s 7; 1985 c 114 s 6; 1982 c 167 s 4.]

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**Effective date—1989 c 56:** See note following RCW 41.60.041.

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.140 Incentive pay or awards not included in retirement calculations.** Incentive pay or awards provided under this chapter shall not be included for the purpose of computing a retirement allowance under any public retirement system of this state. [1982 c 167 s 10.]

**Severability—1982 c 167:** See note following RCW 41.60.015.

**RCW 41.60.150 Recognition awards.** Other than suggestion awards and incentive pay unit awards, agencies shall have the authority to recognize employees, either individually or as a class, for accomplishments including outstanding achievements, safety performance, longevity, outstanding public service, or service as employee suggestion evaluators and implementors. Recognition awards may not exceed two hundred dollars in value per award. Such awards may include, but not be limited to, cash or such items as pen and desk sets, plaques, pins, framed certificates, clocks, and calculators. Award costs shall be paid by the agency giving the award. [2023 c 106 s 6; 2011 1st sp.s. c 39 s 9; 2010 c 1 s 6; 2000 c 139 s 2; 1999 c 50 s 10; 1989 c 56 s 5; 1985 c 114 s 7.]

**Effective date—2011 1st sp.s. c 39:** See note following RCW 41.04.820.

**Effective date—2010 c 1:** See note following RCW 41.06.070.

**Effective date—1989 c 56:** See note following RCW 41.60.041.

**Effective date—1985 c 114:** See note following RCW 41.60.015.

**RCW 41.60.160 Persons ineligible for awards.** No award may be made under this chapter to any elected state official or state agency director. [1993 c 467 s 7; 1987 c 387 s 8.]

**Effective date—1993 c 467:** See note following RCW 41.60.010.

**RCW 41.60.911 Effective dates—1987 c 387.** This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1987, except section 10 of this act which shall take effect immediately. [1987 c 387 s 11.]