

COVER SHEET FOR FINAL PROPOSAL

Notice Number 2022-35

Rule Number Lot 700

1. Agency Name & Address:

**NH Lottery Commission
14 Integra Drive
Concord, NH 03301**

2. RSA Authority: RSA 284:21-h, VII

3. Federal Authority: _____

4. Type of Action:

- ☐ Adopt
☐ Amendment (only if Initial
Proposal was filed before 9/27/20.)
☐ Repeal
☐ Readoption
☒ Readoption w/amendment

5. Short Title: **Rules for Employee Recognition Program**

6. Contact person for copies and questions:

Name: **Valerie King**

Title: **Admin IV**

Address: **NH Lottery Commission
14 Integra Drive
Concord, NH 03301**

Phone #: **603-230-3108**

7. The rulemaking notice appeared in the Rulemaking Register on **March 17, 2022**

**SEE THE INSTRUCTIONS--PLEASE SUBMIT ONE COPY OF THIS COVER SHEET
AND ONE COPY OF THE FOLLOWING:
(optional to number correspondingly)**

8. The "Final Proposal-Fixed Text," including the cross-reference table required by RSA 541-A:3-a, II as an appendix.

9. Yes ☐ N/A ☒ Incorporation by Reference Statement(s) because this rule incorporates a document or Internet content by reference for which an Incorporation by Reference Statement is required pursuant to RSA 541-A:12, III.

10. Yes ☒ N/A ☐ The "Final Proposal-Annotated Text," indicating how the proposed rule was changed because the text of the rule changed from the Initial Proposal pursuant to RSA 541-A:12, II(d).

11. Yes ☐ N/A ☒ The amended fiscal impact statement because the change to the text of the Initial Proposal affects the original fiscal impact statement (FIS) pursuant to RSA 541-A:5, VI.

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4. Type of Action:

Adoption _____

Repeal _____

Readoption _____

Readoption w/amendment X

5. Short Title: **Employee Recognition Program**

6. (a) Summary of what the rule says and of any proposed amendments:

RSA 284:21-h authorizes the lottery commission to develop and implement an employee recognition program for monetary incentives to promote increased sales and compensate lottery sales representatives based upon performance and funded from an existing lottery budget line item. This rulemaking amends the employee recognition program rules to better reflect and support the Lottery Commission's current and future sales goals.

6. (b) Brief description of the groups affected:

The only affected group are Lottery Sales Representatives employed by the New Hampshire Lottery Commission.

6. (c) Specific section or sections of state statute or federal statute or regulation which the rule is intended to implement:

Rule	State Statute/Federal Statute/Regulation which the Rule Implements
Lot 700	RSA 284:21-h, VII

7. Contact person for copies and questions including requests to accommodate persons with disabilities:

Name: **Valerie King**

Title: **Admin IV**

Address: **NH Lottery Commission
14 Integra Drive
Concord, NH 03301**

Phone #: **603-230-3108**

Fax#: **603-271-1160**

E-mail: **Valerie.a.king@Lottery.nh.gov**

TTY/TDD Access: Relay NH 1-800-735-2964 or dial 711 (in NH)

8. Deadline for submission of materials in writing or, if practicable for the agency, in the electronic format specified: **4:00pm on April 21, 2022**

☒ Fax

☒ E-mail

☒ Other format (specify): USPS

9. Public hearing scheduled for:

Date and Time: **April 21, 2022 at 2:00pm**

Place: **NH Lottery Headquarters, 14 Integra Drive, Concord, NH 03301**

10. Fiscal Impact Statement (Prepared by Legislative Budget Assistant)

FIS # 22:039 , dated 03/07/2022

1. Comparison of the costs of the proposed rule(s) to the existing rule(s):

There is no difference in cost when comparing the proposed rules to the existing rules.

2. Cite the Federal mandate. Identify the impact on state funds:

No federal mandate, no impact on state funds.

3. Cost and benefits of the proposed rule(s):

A. To State general or State special funds:

None

B. To State citizens and political subdivisions:

None

C. To independently owned businesses:

None

11. Statement Relative to Part I, Article 28-a of the N.H. Constitution:

The proposed rules modify an existing program or responsibility, but do not mandate any fees, duties, or expenditures on the political subdivisions of the state, and therefore do not violate Part I, Article 28-a of the NH constitution.

Readopt with amendments Lot 700, effective 5-23-12 (Document #10132), to read as follows:

CHAPTER Lot 700 RULES FOR EMPLOYEE RECOGNITION PROGRAM

PART Lot 701 DEFINITIONS

Lot 701.01 Definitions. The following definitions shall apply:

(a) “Commission” means the New Hampshire lottery commission established pursuant to RSA 284:21-a, or its designated staff acting on behalf of the commission.

(b) “Incentive” means an amount of monetary compensation over and above a sales reps salary, which is awarded based upon sales performance as set forth herein.

(c) “Sales goal” means an amount of sales established by the employee recognition review committee (ERRC) and approved by the lottery commission as set forth herein.

(d) “Sales rep” means an individual in the employ of the New Hampshire lottery commission working as a lottery sales representative as the position is defined by the state of New Hampshire department of administrative services, division of personnel, job code 589800.

(e) “Territory” means the designated geographical area(s) or a group of retailers which are assigned to a sales rep in order to achieve allocated sales objectives and targets.

PART Lot 702 EMPLOYEE RECOGNITION PROGRAM

Lot 702.01 Employee Recognition Program. The purpose of this part is to develop and implement an employee recognition program for monetary incentives to promote increased sales and compensate lottery sales representatives based upon performance, as authorized by RSA 248:21-h, VII.

Lot 702.02 Employee Recognition Review Committee (ERRC).

(a) The **ERRC** shall establish sales goals in an effort to promote retail sales growth of instant tickets and retailer terminal games, and to increase overall revenue to the state.

(b) The duties of the ERRC shall include:

Edit: "employee recognition review committee (ERRC)" - this must be written out the first time it is used in the rule and writing it in the section heading is not enough.

(1) Meeting at least once per quarter to review and assess the incentive structure including:

- a. The games to be included in the program;
- b. The sales metrics and goals associated with each game; and
- c. The monetary incentives assigned to each sales goal;

(2) Developing or revising the incentive structure, as needed for the purpose of increasing retail sales; and

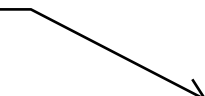
Edit: "submitting"

Edit: "(3)" (4) When applicable, **submit** proposed amendments to the incentive structure to the commission for approval.

(c) Members of the ERRC shall be appointed by the executive director, and include:

- (1) A sales rep;
- (2) The sales team manager, or designee;
- (3) The commission’s chief financial officer, or their designee;

Unclear: What the incentive actually is is never mentioned in the rule, however, it was mentioned in the previous rule which is struck through below. How would a sales rep know what the incentive is?



- (4) The commission's chief product and program officer, or their designee;
- (5) The executive director of the lottery commission, or their designee; and
- (6) A member of the commission.

Lot 702.03 Sales Goals and Incentives.

- (a) The sales goals established by the ERRC shall apply to all eligible sales reps, regardless of their territory.
- (b) In order to be considered eligible, the individual shall be employed as a sales rep for the entire quarter in review.
- (c) The measuring dates shall be a comparison of the prior year's calendar quarter, with the same current period, and the difference in instant ticket and retailer terminal game sales as determined by the commission's sales goals. If that difference meets or exceeds the sales goals, the sales rep shall be entitled to the incentive as set forth in the incentive structure approved by the commission.
- (d) Established and approved incentive structure shall remain in effect until such time as amended incentive structure is approved by the commission in accordance with Lot 702.02(b)(3).
- (e) No incentives shall be awarded without commission approval in accordance with Lot 702.02(b)(3).
- (f) In accordance with RSA 284:21-h, VII, the commission shall:
 - (1) Fund the employee recognition program from its legislatively approved budget; and
 - (2) Report quarterly to the fiscal committee of the general court on the status of the incentive program.

PART Lot 703 TERMS AND CONDITIONS

Lot 703.01 Terms and Conditions. Terms and conditions shall be determined as follows:

- (a) Redistricting of a sales rep territory shall be made effective only at the beginning of the quarter;
- (b) Either the applicable sales goal shall be met or no incentive shall be awarded;
- (c) The incentive plan shall not be adjusted for chain business promotional activity, and ticket sales which were discounted shall be credited at the discounted amount;
- (d) Sales reps who transfer to another district or position shall be evaluated on the assigned retailer base they have spent the majority of the quarter assigned to;
- (e) Sales reps whose territory was not represented for 6 weeks or more shall not be eligible to receive the lottery sales incentive award for that quarter. For example, if a sales rep is out on medical leave or otherwise not able to perform their duties, that sales rep shall not be eligible for an incentive award;
- (f) Sales reps who depart from an eligible lottery classification before the end of a quarter shall not be eligible for that quarter's incentive; and
- (g) Sales reps who have received disciplinary action within the quarter, which results in a written warning or more severe disciplinary action, shall not be eligible to receive the incentive.

Appendix

Rule	Specific State Statute or Federal Statute or Regulation which the Rule Implements
Lot 700	RSA 284:21-h, VII