

Who are the Incentive Federation's members?

The Incentive Federation is the only organization whose membership and leadership includes all the industry's national trade associations, as well as individual industry companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), the Recognition Professionals International (RPI) and Society for Incentive Travel Excellence (SITE) are discussed, nurtured and advanced.

Some Perspective

% of U.S. businesses using non-cash rewards

1996 – 26%

2015 – 84%

\$\$ in Incentive Marketplace

1996 - \$27 billion

2015 - \$90 billion

OSHA Sends Clarifying Memo on Safety Incentive Programs

The Occupational Safety and Health Administration on October 11, 2018, issued a surprising and important memo to their regional directors clarifying its position on safety incentive programs and post-incident drug testing.

The [memo](#), unlike some past commentary by the agency in the form of several memos issued in 2016, seems to finally acknowledge that properly implemented safety incentive programs can be beneficial. The Incentive Federation has reported extensively on this topic since the late 1990s, and the Federation's letter in 2016 to OSHA from IFI Legal Counsel George Delta can be viewed [here](#).

In part, OSHA's memo states, "Incentive programs can be an important tool to promote workplace safety and health. One type of incentive program rewards workers for reporting near-misses or hazards and encourages involvement in a safety and health management system. Positive action taken under this type of program is always permissible under § 1904.35(b)(1)(iv)."

The memo continues, "Another type of incentive program is rate-based and focuses on reducing the number of reported injuries and illnesses. This type of program typically rewards employees with a prize or bonus at the end of an injury-free month or evaluates managers based on their work unit's lack of injuries. Rate-based incentive programs are also permissible under § 1904.35(b)(1)(iv) as long as they are not implemented in a manner that discourages reporting. Thus, if an employer takes a negative action against an employee under a rate-based incentive program, such as withholding a prize or bonus because of a reported injury, OSHA would not cite the employer under § 1904.35(b)(1)(iv) as long as the employer has implemented adequate precautions to ensure that employees feel free to report an injury or illness."

Some industry experts, who have worked with safety incentive programs for years, have weighed in on how they believe the latest OSHA directive should be observed.

Brian Galonek, president of industry company All Star Incentive Marketing and a Director on the IFI Board of Directors stated in his recent blog that, "It would make sense that adding an incentive to something far more important, like working safely on the job, would not only work but would also be laudable. Despite that logic, over the years OSHA has taken a negative stance towards safety incentive programs that inarguably has had the result of preventing many such programs from being

deployed. As a result, there are countless accidents and injuries that could have been prevented if workers had been better engaged and properly motivated to work safer.”

The bottom line is properly built safety incentive programs are created with the best intentions, do work, and benefit everyone involved.

In this memo OSHA makes clear that properly built safety incentive programs are legitimate attempts to promote a safer workplace. I believe the following quote from this clarification is the clearest statement by OSHA yet showing that they understand that these programs are deployed with the best intentions and great results.

"The Department believes that many employers who implement safety incentive programs do so to promote workplace safety and health. In addition, evidence that the employer consistently enforces legitimate work rules (whether or not an injury or illness is reported) would demonstrate that the employer is serious about creating a culture of safety."

Brian's blog from late last week can be viewed [here](#).

"It appears to me that this statement is a retrenching by OSHA, recognizing the weakness and indefensibility of their current rule," said Sean Roark, Executive Vice President of IncentPros, Inc. and a Director on the IFI Board of Directors. "The memo strengthens George Delta's original analysis that the position as presented a few years ago will probably not stand up to a rigorous court challenge."

Both Galonek and Roark have followed the evolving developments with OSHA's view of safety incentive programs for many years.

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