

Office Memorandum

Date: December 12, 2018

To: HR Directors and Designees, SEMA4 HR and Payroll Users

From: Edwin Hudson, Deputy Commissioner

Subject: **Performance-Based Salary Increases: Commissioner's Plan, Medical Specialists' Addendum to the Commissioner's Plan, and Managerial Plan**

This memo provides details and instructions for processing performance-based salary increases effective December 26, 2018 for employees covered by:

- Commissioner's Plan
- Medical Specialists' Addendum to the Commissioner's Plan
- Managerial Plan

The 2017-2019 plans include provisions allowing employees to receive performance-based salary increases effective December 26, 2018 of up to 3.5%.

Agencies are responsible for reviewing the appropriate plans, evaluating eligibility, and updating the rates of pay accordingly. An employee may only be granted a salary increase if he/she has met or exceeded performance standards or objectives. In addition, employees must be in a position covered by these plans on the preceding day, December 25, 2018. Employees whose current rate of pay is at or above the range maximum for their job class are *not* eligible for these performance-based salary increases.

Enter these performance-based increases no later than January 7, 2019, in order for the pay increases to be reflected on the January 18, 2019 paycheck.

Note: Salary increases are calculated using the employee's hourly rate, not the annual rate.

During the week of December 31, agencies will receive separate instructions and a list of employees in work out of class or trainee assignments.

Commissioner's Plan Performance-Based Salary Increase Effective 12/26/2018

For eligible employees, agencies must add a row with an effective date of 12/26/2018 and action / reason **Pay Rate Change / PRF** (Increase Based on Performance). Any rows with effective dates greater than 12/26/2018 must be updated accordingly.

Managerial Plan and Medical Specialists' Addendum to the Commissioner's Plan Performance-Based Salary Increase Effective 12/26/2018

Salary increases under the Managerial Plan and Medical Specialists' Addendum to the Commissioner's Plan may be in the form of an adjustment to the base salary rate, a lump sum, or a combination of both, but not result in a base salary rate above the range maximum for the employee's job class.

For eligible employees, agencies must add a row with an effective date of 12/26/2018 and action / reason **Pay Rate Change / PRF** (Increase based on Performance). Include a comment to indicate that this row is for the performance-based salary increase. Any rows with effective dates greater than 12/26/2018 must be updated accordingly.

If the salary increase includes a lump sum payment, coordinate with your agency payroll staff. Mass Time Entry earn code INS – Contract/Plan Lump Sum should be used when processing payroll for the PPE January 8, 2019. If you have any questions regarding processing lump sum payments in SEMA4, contact Statewide Payroll Services.

The lump sum option is not available for Commissioner’s Plan employees.

Agency Heads not Entitled to Increases

Agency heads listed in Minn. Stat. 15A.0815 (and some others) are not covered under the Managerial Plan for salary purposes and are therefore not entitled to salary increases under its terms. Please contact MMB if you have a question about salary for your agency head.

Questions?

For SEMA4 HR questions, please contact your MMB SEMA4 HR Specialist:

- Alyssa Arnette at 651-259-3679 or Alyssa.Arnette@state.mn.us
- Judi Kaper at 651-259-3649 or Judi.Kaper@state.mn.us
- Mary O’Connor at 651-259-3633 or Mary.OConnor@state.mn.us

For questions regarding payroll processing, contact [Statewide Payroll Services](#).

Performance Based Salary Increase Timeline

Date	Event
By Close of Business Monday, January 7	Agencies enter performance-based increases (Pay Rate Change / PRF) effective 12/26/2018 for eligible employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.
December 31 – January 7	Agencies enter rate increases for work out of class or trainee assignments. MMB will provide a list of employees and further instructions.
January 8-10	Agency payroll staff enter any applicable lump sum payments for employees covered by the Managerial Plan or the Medical Specialists’ Addendum to the Commissioner’s Plan.
Friday, January 18	Paycheck includes performance-based increase for employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.