

Office Memorandum

Date: April 16, 2018
To: HR Directors and Designees, SEMA4 HR, Payroll Users, and Agency Accounting Coordinators
From: Edwin Hudson, Deputy Commissioner
Subject: **Salary Adjustments for the 2017-2019 biennium – Year 1: AFSCME Council 5, MAPE, MGEC, MNA, SRSEA, Commissioner’s Plan, Commissioner’s Plan Medical Specialists’ Addendum, Managerial Plan**

As recently approved by the Legislature, Minnesota Management and Budget (MMB) will implement the Year 1 salary provisions of these contracts and plans over the weekend of April 21, 2018.

This memo provides instructions and critical timelines for agency Human Resources offices. Statewide Payroll Services will provide a separate memo to agency staff with instructions regarding retroactive pay processing.

Year 1 General Adjustment, effective July 1, 2017

MMB will apply a 2% general wage adjustment to the job records of employees covered by the following contracts and plans, and for “insufficient work time employees” in related job classes:

- AFSCME Council 5
- Commissioner’s Plan
- MAPE
- MGEC
- MNA
- SRSEA

MMB will insert a SEMA4 job row with an effective date of 7/1/2017 and Pay Rate Change / GEN as the action / reason. MMB will update rows with effective dates greater than 7/1/2017 and include a Job Data comment to indicate the rate of pay has been updated by the mass salary update. The new rates of pay will display in SEMA4 on April 23, 2018.

Pay rates over the maximum

Employees with a rate code of OFFOMD or OFFOMT:

- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2017, but falls within the range on 7/1/2017, will be placed at the new range maximum step for the job class and the rate code will be changed to ONSTEP.
- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2017, and continues to exceed the maximum on 7/1/2017, will not receive an update.

Employees with a rate code of OFFOMR will receive the full 2% increase.

Managerial Plan and Commissioner's Plan Medical Specialists' Addendum

Employees covered by these plans are eligible for the 2% general salary increase effective July 1, 2017 if they have achieved performance standards or objectives. General salary increases for employees covered by the Managerial Plan and Medical Specialists' Addendum are **not** included in the mass salary update. Agencies are responsible for evaluating eligibility and updating the rates of pay accordingly.

For employees who are receiving this increase, insert a row with an effective date of 7/1/2017 and Pay Rate Change / PRF (Increase based on Performance) as the action / reason. Include a comment to note that this is the general adjustment. Update any subsequent rows accordingly and include a comment.

Pay Rates Over the Maximum for Managers or Medical Specialists

If the rate of pay exceeded the maximum on 6/30/2017, but falls within the range for the class on 7/1/2017, the employee is eligible for an increase up to the new range maximum for the job class. Change the compensation rate code on the new row to OFFRNG.

If the rate of pay exceeded the maximum on 6/30/2017 and continues to exceed the maximum on 7/1/2017, the employee is not eligible for an increase.

If the rate of pay exceeded the maximum on 6/30/2017 with a compensation rate code of OFFOMR, the employee is eligible for the full 2% increase.

Agency Heads: Managers whose salaries are set in statute (for example, agency heads), are not eligible for these general salary increases.

Mass update report available April 23, 2018

On April 23, 2018, report HP7041, *Mass Update Before and After Values for Salary*, will be available in DocumentDirect. This report reflects employees' new rates of pay. Please review this report for accuracy.

Note: After you open report HP7041, you will see Report ID PDHR7063 in the upper left corner.

Work-out-of-class and trainee pay rates

The mass update will increase employee permanent rates of pay only. Agencies must calculate and enter the rates of pay for work-out-of-class and trainee assignments.

MMB will send agencies separate instructions and a list of employees on work-out-of-class assignments the week of April 23, 2018.

Agencies must also update the rates of pay for trainees. MMB will send agencies separate instructions and a list of employees in trainee assignments the week of April 23, 2018.

New appointments

Employees with new appointments effective after 7/1/2017 will not receive a 7/1/2017 Pay Rate Change / GEN row. However, the mass update program will update the appointment row, and any subsequent rows to reflect the increase.

Separated employees

- Employees who are separated (with an Inactive HR status) on April 21, 2018 will not be included in the general adjustment mass update.
- Employees who have a future-dated separation effective after April 21, 2018 will receive the general adjustment. However, the rate of pay on the separation row will not be updated. Agencies must manually update the separation row with the new rate of pay.

Employees who separated from state service between 7/1/2017 and 04/21/2018 must make a written request to their HR office in order to receive the general adjustment. They must request the increase in the same fiscal year that the general adjustment was approved and processed (no later than the close of business 6/30/2018). Agencies are responsible for updating the job records with the 7/1/2017 general adjustment row and any subsequent rows. Agencies are also responsible for calculating retroactive pay, and recalculating any vacation payoffs and severance payments previously made to the employee.

Questions?

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

- 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](#).

SEMA4 Salary Adjustment Timeline

Date	Event
Weekend of 04/21/2018	Mass salary update (2% general adjustment, effective 7/1/2017) for AFSCME Council 5, MAPE, MGEC, MNA, SRSEA, Commissioner's Plan. Grids updated for Medical Specialists' Addendum and Managerial Plan.
04/23/2018 – 04/27/2018	Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in DocumentDirect.
04/23/2018 – 04/27/2018	Agencies enter rate increases for work-out-of-class and trainee assignments. MMB will provide further instructions regarding work-out-of-class and trainee assignments.
04/23/2018 – 04/27/2018	Agencies enter performance-based increases for Medical Specialists' Addendum and Managerial Plan employees.
05/11/2018	Paycheck reflects a 2% general adjustment or performance-based increases for employees covered by AFSCME Council 5, MAPE, MGEC, MNA, SRSEA, Commissioner's Plan, Medical Specialists' Addendum, and Managerial Plan.