

Office Memorandum

Date: October 29, 2019
To: HR Directors and Designees, SEMA4 HR and Payroll Users
From: Edwin Hudson, Deputy Commissioner
Subject: **Salary Adjustments for the 2019 - 2021 biennium – Year 1: AFSCME, AFSCME Unit 25, MAPE, and MMA**

Minnesota Management and Budget (MMB) will implement the Year 1 salary provisions of these contracts over the weekend of November 2, 2019 and Monday night, November 4, 2019. This memo provides instructions and critical timelines for agency Human Resources offices.

Do you have employees covered by AFSCME, on grid 4? The AFSCME contract has a step reassignment for employees on grid 4. Because of this scenario, MMB needs to process employees covered by AFSCME on grid 4 in two separate runs: the step reassignment will occur over the weekend of November 2, and the salary mass update will occur Monday evening, November 4.

Year 1 General Adjustment and Step Reassignment, effective July 1, 2019

MMB will apply a 2.25% general wage adjustment to the job records of employees covered by the following contracts, and for “insufficient work time employees” in related job classes:

- AFSCME
- AFSCME Unit 25
- MAPE
- MMA

Over the weekend of November 2, 2019 (except for those employees covered by AFSCME on grid 4) MMB will insert a SEMA4 job row with an effective date of **7/1/2019** and **Pay Rate Change / GEN** as the action / reason. MMB will update rows with effective dates greater than 7/1/2019 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 Monday, November 4, 2019.

AFSCME on grid 4

On the same weekend, for employees covered by AFSCME on grid 4, MMB will process the step reassignment by inserting a SEMA4 job row with an effective date of **7/1/2019** and **Position Change / MUR** as the action / reason. This process also creates position rows with reason code MUR, effective 7/1/2019. For more information, see the Attachment at the end of this memo.

On Monday night, November 4, 2019, for employees covered by AFSCME on grid 4, MMB will insert a sequenced SEMA4 job row with effective date of **7/1/2019** and **Pay Rate Change / GEN** as the action / reason. MMB will update rows with effective dates greater than 7/1/2019 and include a Job Data comment. The rate of pay on this sequenced row will be the same as that on the Position Change / MUR row.

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 6/30/2019, but falls within the range on 7/1/2019, 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 6/30/2019, and continues to exceed the maximum on 7/1/2019, will not receive an update.

Employees with a rate code of OFFOMR (due to a reallocation demotion) will receive the full 2.25% increase.

Mass update reports available November 4, 2019

On November 4, 2019, 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.

The following DocumentDirect reports will provide information about the step reassignment for employees covered by AFSCME on grid 4:

- HP7041, *Mass Update Before and After Values for Range Reassignment*
- HP7042, *Position Mass Update Before and After Values for Range Reassignment*

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 November 4, 2019.

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 November 4, 2019.

Employees covered by AFSCME compensated below \$15/hour effective 7/1/2019

For employees covered by AFSCME with a compensation rate below \$15/hour effective 7/1/2019 (except for Supported Employment Workers), agencies must enter a salary differential of DIFOTH to increase the compensation rate to \$15/hour. MMB will send agencies separate instructions and a list of these employees the week of November 4, 2019.

New appointments

Employees with new appointments effective after 7/1/2019 will not receive a 7/1/2019 Pay Rate Change / GEN row. However, the mass update program will update the appointment row and any subsequent rows, to reflect the increase.

Employees covered by AFSCME on grid 4 with new appointments effective after 7/1/2019 will not receive a 7/1/2019 Position Change / MUR row nor a 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 November 2, 2019 will not be included in the general adjustment mass update.
- Employees who have a future-dated separation effective after November 2, 2019 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 7/1/2019 and 11/02/2019 must make a written request to their HR office in order to receive the general adjustment. Agencies are responsible for updating the job records with the 7/1/2019 general adjustment row (and step reassignment for employees covered by AFSCME on grid 4), 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. Employees who separated from state service between 7/1/2019 and 11/02/2019 (the date the salary mass update was run for active status employees) have to make a written request to their HR office by **11/22/2021** to receive the general adjustment.

Employee Wage Change Notice

To help agencies meet the Employee Wage Change Notice requirements regarding these salary mass updates, a template communication to employees is included in the October 28, 2019 memo from MMB Commissioner Frans. Send this communication to employees by November 18.

Attention: Department of Corrections, Department of Human Services, Minnesota State, MN State Academies, Perpich Center for Arts Education, and Department of Veterans Affairs must also send the following additional notice in a separate communication to employees whose classification is on AFSCME compensation grid 4 by November 18:

Dear Employees,

You received a communication about the 7/1/2019 salary update. Because the basis of your pay rate is on AFSCME compensation grid 4, we're notifying you that the grid was revised in the agreement dated 2019 – 2021, retroactive to July 1, 2019. View the full 2019 – 2021 contract on the [Minnesota Management and Budget Labor Relations webpage](#).

SEMA4 Salary Adjustment Timeline

Date	Event
Weekend of 11/02/2019	Mass salary update (2.25% general adjustment, effective 7/1/2019) for employees covered by AFSCME (except for those on grid 4), AFSCME Unit 25, MAPE, and MMA. Step reassignment for employees covered by AFSCME on grid 4.
Monday evening, 11/04/2019	Mass salary update (2.25% general adjustment, effective 7/1/2019) for employees covered by AFSCME on grid 4. See the Attachment for more information about grid 4.
11/04/2019 – 11/08/2019	<p>Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in DocumentDirect.</p> <p>AFSCME on grid 4 only:</p> <ul style="list-style-type: none"> • HP7041, <i>Mass Update Before and After Values for Range Reassignment</i> • HP7042, <i>Position Mass Update Before and After Values for Range Reassignment</i>
11/04/2019 – 11/08/2019	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.
11/04/2019 – 11/08/2019	Agencies enter salary differential DIFOTH for any employee covered by AFSCME whose hourly rate is less than \$15 per hour. MMB will provide further instructions.
By 11/18/2019	<p>Communications that satisfy Employee Wage Change Notice:</p> <ul style="list-style-type: none"> • Agencies send communication using the template included in the October 28, 2019 memo from MMB Commissioner Frans. • Agencies with employees in AFSCME compensation grid 4 send an additional communication.
11/22/2019	Paycheck reflects a 2.25% general adjustment for employees covered by AFSCME, AFSCME Unit 25, MAPE, and MMA.

Questions?

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

- Shantia Hutchinson at 651-201-8220 or Shantia.Hutchinson@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](#).

Attachment

Attachment - Changes to AFSCME Grid 4

Important Note: This information applies only to agencies with employees on AFSCME Grid 4: Department of Corrections, Department of Human Services, Minnesota State, MN State Academies, Perpich Center for Arts Education, and Department of Veterans Affairs. All other agencies can disregard this attachment.

Effective July 1, 2019, **AFSCME grid 4** is changed as follows:

- Grid 4 is published separately from grid 6.
- Grid 4 ranges 42 – 55 are eliminated because they are not being used for any job classifications in bargaining unit 204.
- The first two steps of each remaining range on grid 4 are removed, requiring the step on each employee’s Job record to be reassigned, effective 7/1/2019. MMB will create and update Job records accordingly in a mass update the weekend of November 2, 2019.
- The maximum step for all job codes associated with AFSCME grid 4 will be reduced by two.
- Step reassignment: Employees remain on the same ranges, but steps are reassigned as shown in the following example. (Rates shown are from Range 64.) Employees on old steps 1, 2, and 3 go to new step 1. All subsequent steps are reduced by two, reflecting a two and one-quarter percent rate increase:

Old Step (6/30/2019)	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Old comp rate	18.05	18.53	19.10	19.57	20.08	20.62	21.19	21.79	22.34	23.08	23.71	24.42	25.07	25.71
New Step (7/1/2019)	1	2	3	4	5	6	7	8	9	10	11	12		
New comp rate	19.53	20.01	20.53	21.08	21.67	22.28	22.84	23.60	24.24	24.97	25.63	26.69		

- Example 1: On June 30, 2019, Employee A was at step 1 of range 64 at a rate of \$18.05 per hour. Beginning July 1, 2019, the employee’s step is reassigned to range 64 step 1 at a rate of \$19.53 per hour.
- Example 2: On June 30, 2019, Employee B was at step 3 of range 64 at a rate of \$19.10 per hour. Beginning July 1, 2019, the employee’s step is reassigned to range 64 step 1 at a rate of \$19.53 per hour.
- Example 3: On June 30, 2019, Employee C was at step 8 of range 64 at a rate of \$21.79 per hour. Beginning July 1, 2019, the employee’s step is reassigned to range 64 step 6 at a rate of \$22.28 per hour.

Progression Increases

Agencies are responsible for processing progression (step) increases for employees on grid 4, who move from an annual step progression to a 6-month step progression.

Employees who were at steps 4 or 5 on the old grid 4, will move to steps 2 and 3 accordingly on the new grid 4 via the POS / MUR row effective 7/1/2019.

Employees who move to the new steps 2 and 3 and have been at the old steps 4 or 5 for six months or greater as of 7/1/2019 become immediately eligible for a progression increase if their performance is satisfactory. This progression will be treated as a delayed increase due to the step reassignment on grid 4.

Action Needed: Agencies will enter a row with an effective date of 7/10/2019, and an action / reason of Pay Rate Change / PRG. Include a comment on this row stating, "Employee is eligible for this delayed progression due to the grid 4 step reassignment".

Employees who were at the old steps 4 or 5 and move to steps 2 or 3 but have less than six months of service at the old steps as of 7/1/2019, will be eligible for a progression when they reach 6 months of service and their performance is satisfactory.