

Office Memorandum

Date: December 2, 2019

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 25, 2019 for employees covered by:

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

Until the legislature acts upon the 2019-2021 plans, the 2017-2019 plans remain in effect. The 2017-2019 plans include provisions allowing employees to receive performance-based salary increases effective 12/25/2019 of up to 3.5%

Agencies are responsible for reviewing the appropriate plans, evaluating eligibility and subsequently updating the rates of pay accordingly. An employee may only be granted a salary increase if they have met or exceeded performance standards or objectives. In addition, employees must be in a position covered by these plans on the preceding day, December 24, 2019. 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 6, 2020, in order for the pay increases to be reflected on the January 17, 2020 paycheck.

Note: During the week of December 30, agencies will receive separate instructions and a list of employees in trainee assignments.

Commissioner’s Plan Performance-Based Salary Increase Effective 12/25/2019

For eligible employees, agencies must add a row with an effective date of 12/25/2019 and action / reason **Pay Rate Change / PRF** (Increase Based on Performance). Any rows with effective dates greater than 12/25/2019 must be updated accordingly.

Managerial Plan and Medical Specialists’ Addendum to the Commissioner’s Plan Performance-Based Salary Increase Effective 12/25/2019

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 12/25/2019 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 12/25/2019 must be updated accordingly.

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

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 7, 2020. For questions regarding payroll processing, 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 Compensation Manager Matthew Henderson at 651-201-8008 if you have a question about salary for your agency head.

Employee Wage Notice of Changes to Rate of Pay

Agencies are responsible for providing change notices to employees whenever employee information changes as required by MS 181.032. MMB has provided a [change form template](#) for your use that is available on the HR Toolbox. You also have the option to provide notice using other methods, such as a letter to the employee, so long as you notify the employee of the new rate of pay. Please contact your [Agency and Applicant Services](#) representative if you have questions about the wage notice.

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

Performance Based Salary Increase Timeline

Date	Event
By Close of Business Monday, January 6	Agencies enter performance-based increases (Pay Rate Change / PRF) effective 12/25/2019 for eligible employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.
December 30 – January 6	Agencies enter rate increases for trainee assignments. MMB will provide a list of employees and further instructions.
January 7 – 9	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 17	Paycheck includes performance-based increase for employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.