


Office Memorandum

Date: January 5, 2021

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

From: Kristin Batson, Deputy Commissioner 

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

This memo provides instructions for processing performance-based salary increases effective January 1, 2021 for employees covered by:

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

For Fiscal Year 2021, these performance-based increases are capped at 2.5%.

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 day before the pay period in which January 1 occurs, December 22, 2020. 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 sooner than January 11, 2021 and no later than January 15, 2021**, in order for the pay increases to be reflected on the January 29, 2021 paycheck. Note: Calculate the salary increases using the employees' hourly rate, not the annual rate.

Note: During the week of January 11, agencies will receive separate instructions and a list of employees in trainee assignments.

Commissioner's Plan Performance-Based Salary Increase Effective 01/01/2021

For eligible employees, agencies must add a row with an effective date of 01/01/2021 and action / reason **Pay Rate Change / PRF** (Increase Based on Performance). Any rows with effective dates greater than 01/01/2021 must be updated accordingly.

Managerial Plan and Medical Specialists' Addendum to the Commissioner's Plan Performance-Based Salary Increase Effective 01/01/2021

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 shall not result in a base salary rate above the range maximum for the employee's job class.

For eligible employees receiving a salary rate increase, agencies must add a row with an effective date of 01/01/2021 and action / reason **Pay Rate Change / PRF** (Increase based on Performance). Any rows with effective dates greater than 01/01/2021 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 19, 2021. 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 and Classification Director Dori Leland at dorilee.leland@state.mn.us 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.

Payroll Retroactive Wage Adjustments

For retroactive wage adjustment information, go to [SEMA4 Help](#). In the Index, type and select *Individual Retroactive Pay*. Then select [Process an Individual Retroactive Pay Adjustment - Steps](#).

Questions?

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

- Tia Hutchinson - Shantia.Hutchinson@state.mn.us
- Mary O’Connor - Mary.OConnor@state.mn.us
- Jenny Swenson – Jennifer.Swenson@state.mn.us

For individual retroactive pay calculation questions, please contact:

- Jody Dahl – Jody.Dahl@state.mn.us
- MaryJo Wixson – MaryJo.Wixson@state.mn.us

Performance Based Salary Increase Timeline

Date	Event
January 11 - January 15	Agencies enter performance-based increases (Pay Rate Change / PRF) effective 01/01/2021 for eligible employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.
January 11 - January 15	Agencies enter rate increases for trainee assignments. MMB will provide a list of employees and further instructions.

Date	Event
January 19 – 21	Agency payroll staff process individual retroactive pay for employees who were granted the January 1, 2021 performance-based increase.
January 19 – 21	Agency payroll staff enter any applicable lump sum payments for employees covered by the Managerial Plan or the Medical Specialists’ Addendum.
Friday, January 29	Paycheck includes performance-based increase for employees covered by the Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.