

## Office Memorandum

**Date:** January 16, 2024  
**To:** HR Directors and Designees, SEMA4 HR Users, Payroll Users, and Agency Accounting Coordinators  
**From:** Dori Leland, Enterprise Director, Employee Classification and Compensation  
**Subject:** Salary Adjustments for the 2023 - 2025 Biennium Year 1: Commissioner's Plan, Commissioner's Plan Medical Specialists' Addendum, and Managerial Plan

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Minnesota Management and Budget (MMB) will implement the Year 1 salary provisions of these plans over the weekend of January 19, 2024.

### Year 1 General Salary Adjustment, effective July 1, 2023

Over the weekend of January 19, MMB will apply a 5.5% general wage adjustment to the job records of employees covered by the Commissioner's Plan, and for "insufficient work time employees" in related job classes.

MMB will insert a SEMA4 job row with an effective date of **7/1/2023** and **Pay Rate Change / GEN** as the action / reason. MMB will update rows with effective dates greater than 7/1/2023 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, January 22.

### Pay rates over the maximum

Employees with a rate code of **OFFOMD** (due to a demotion with salary above the maximum) or **OFFOMT** (due to a transfer with salary above the maximum):

- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2023, but now falls within the range on 7/1/2023, will be placed at the new range maximum rate for the job class and the rate code will be changed to OFFRNG.
- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2023, and continues to exceed the maximum on 7/1/2023, will not receive an update.

Employees with a rate code of **OFFOMR** (due to a reallocation demotion) will receive the full 5.5% increase.

### Managerial Plan and Commissioner's Plan Medical Specialists' Addendum

Employees covered by these plans are eligible for the 5.5% general salary increase effective July 1, 2023, 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 Managerial Plan and Medical Specialists' Addendum employees receiving this increase, insert a Job row with an effective date of 7/1/2023 and Pay Rate Change / PRF as the action / reason. Include a comment to note that this is the general adjustment. Update any subsequent rows accordingly and include a comment to note that this increase is due to the general adjustment.

## Pay Rates Over the Maximum for Managers or Medical Specialists

Employees with a rate code of **OFFOMD** (due to demotion with salary above the maximum) or **OFFOMT** (due to a transfer with salary above the maximum):

- The employee is eligible for an increase to the new range maximum for the job class if their rate of pay exceeded the maximum on 6/30/2023 but now falls within the range for the class on 7/1/2023. Change the compensation rate code on the new row to OFFRNG.
- The employee is not eligible for an increase if their rate of pay exceeded the maximum on 6/30/2023 and continues to exceed the maximum on 7/1/2023.

If the rate of pay exceeded the maximum on 6/30/2023 with a compensation rate code of **OFFOMR** (due to a reallocation demotion), the employee is eligible for the full 5.5% 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 Monday, January 22, 2024

On Monday, January 22, 2024, report HP7041, *Mass Update Before and After Values for Salary*, will be available in the SEMA4 Standard Report Viewer. This report reflects employees' old and 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 work-out-of-class and trainee employees the week of January 22, 2024.

## New appointments

Employees appointed after 7/1/2023 will not have a 7/1/2023 Pay Rate Change / GEN row added to their record. However, the mass update program will update the compensation rate on the appointment row and any subsequent rows, to reflect the increase.

## Separated employees

- Employee records that are separated (with an Inactive HR Status) on January 19, 2024 will not be included in the general adjustment mass update.
- Employees who have a future-dated separation effective after January 19, 2024, 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. MMB will send agencies a list of these employees the week of January 22, 2024.

Employees who separated from state service between 7/1/2023 and 01/19/2024 must make a written request to their HR office to receive the general adjustment. Agencies are responsible for updating the job records with the 7/1/2023 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. Employees who separated from state service between 7/1/2023 and 01/19/2024 (the date the salary mass update was run for active status employees) must make a written request to their HR office by **02/09/2026** to receive the general adjustment. These separated employees should be advised to contact MSRS regarding the updated compensation rate.

### SEMA4 Salary Adjustment Timeline

Date	Event
Weekend of 01/19/2024	Mass salary update (5.5% general adjustment, effective 7/1/2023) for employees covered by the Commissioner’s Plan, and for “insufficient work time employees” in related job classes.
01/22/2024 – 01/26/2024	Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in the SEMA4 Standard Report Viewer for accuracy.
01/22/2024 – 01/26/2024	Agencies enter rate increases for work-out-of-class and trainee assignments. MMB will provide further instructions and employee lists.
01/22/2024 – 01/26/2024	Agencies enter performance-based general adjustment increases for Managerial Plan and Medical Specialists’ Addendum employees for the increases to be reflected on the February 9, 2024 paycheck.
02/09/2024	Paycheck reflects the 5.5% general adjustment salary increase along with retroactive pay for employees covered by the Commissioner’s Plan and any performance-based increases and retroactive pay for employees covered by the Medical Specialists’ Addendum or Managerial Plan.

### Questions?

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

- Kaeley Cazin – [Kaeley.Cazin@state.mn.us](mailto:Kaeley.Cazin@state.mn.us)
- Diane Clemens – [Diane.Clemens@state.mn.us](mailto:Diane.Clemens@state.mn.us)
- Tia Chester – [Tia.Chester@state.mn.us](mailto:Tia.Chester@state.mn.us)

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