

Date: June 1, 2016

To: HR Directors/Designees/SEMA4 HR Users

From: Edwin Hudson, Deputy Commissioner 

Subject: Salary Adjustments for the 2015-2017 biennium – Year 1: Commissioner’s Plan, Commissioner’s Plan Medical Specialists’ Addendum, and Managerial Plan

Today Governor Dayton signed SF2626, ratifying the 2015 – 2017 Commissioner’s Plan, Commissioner’s Plan Medical Specialists’ Addendum, and Managerial Plan. Minnesota Management and Budget (MMB) will implement the Year 1 salary provisions of these plans over the weekend of June 3, 2016.

This memo provides instructions and critical timelines for agency Human Resources offices regarding the implementation of the 2.5% general salary adjustments allowed by these plans. Statewide Payroll Services will send retroactive pay instructions in a separate memo.

### **Commissioner’s Plan - 2.5% Year 1 General Salary Adjustment, effective 7/1/2015**

Over the weekend of June 3, 2016, MMB will process a mass update to apply the 2.5% general wage adjustment to the job records of employees covered by the Commissioner’s Plan.

MMB will insert a SEMA4 Job row with an effective date of 7/1/2015 and Pay Rate Change / GEN as the action / reason. MMB will update rows with effective dates greater than 7/1/2015. The new rates of pay will display in SEMA4 on Monday, June 6, 2016.

#### **Pay Rates Over the Maximum for Commissioner’s Plan Employees:**

- If an employee’s rate of pay exceeded the maximum on 6/30/2015, but falls within the range for their class on 7/1/2015, the employee’s rate will be placed at the new range maximum for the job class, and the compensation rate code will be set to OFFRNG.
- If an employee’s rate of pay exceeded the maximum on 6/30/2015 and continues to exceed the maximum on 7/1/2015, no update will be made.
- If an employee’s rate of pay exceeded the maximum on 6/30/2015 with a compensation rate code of OFFOMR, the employee will receive the full 2.5% increase.

On Monday, June 6, 2016, 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.

## **Work-Out-of-Class and Trainee pay rates**

MMB's mass update will cover 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 June 6, 2016.

Agencies must also update the rates of pay for trainees if the general adjustment is allowed by the trainee plan. MMB will send agencies separate instructions and a list of employees in training assignments the week of June 6, 2016.

## **Appointments after July 1, 2015**

Employees who were appointed to positions covered by the Commissioner's Plan after 7/1/2015 will also receive the 2.5% general adjustment. However, this mass update will **not** add a 7/1/2015 general adjustment row (Pay Rate Change / GEN) because the employee was not yet appointed to the position on that date. The general adjustment mass update will be applied on all rows with effective dates equal to and greater than the date of the appointment.

## **Separated employees**

Employees who separate from state service between 7/1/2015 and 6/3/2016 will not automatically receive the 2.5% general adjustment. These individuals may receive the general adjustment (and retroactive pay) if they make the request to the agency HR office in the same fiscal year that the general adjustment was approved (no later than close of business June 30, 2016). Agencies are responsible for updating the employee job record with the 7/1/2015 general adjustment row and all subsequent rows. If the employee requests back pay, it is incumbent upon agencies to also recalculate any vacation payoff and severance payments previously made to the employee. This retroactive payment will be a cash payment to the employee.

## **Managerial Plan and Medical Specialists' Addendum – Conditional based on performance**

Employees covered by these plans are eligible for 2.5% general salary increases retroactive to July 1, 2015 if they have achieved performance standards or objectives. Agencies are responsible for evaluating eligibility and updating the rates of pay accordingly. Insert a row with an effective date of 7/1/2015 and PAY / 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 job comment.

In order for these pay increases to be reflected on the June 24, 2016 paycheck, enter the 2.5% general adjustment no sooner than Monday, June 6, 2016 and no later than Friday, June 10, 2016.

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

- If the rate of pay exceeded the maximum on 6/30/2015, but falls within the range for the class on 7/1/2015, 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 6/30/2015 and continues to exceed the maximum on 7/1/2015, the employee is not eligible for an increase.
- If the rate of pay exceeded the maximum on 6/30/2015 with a compensation rate code of OFFOMR, the employee is eligible for the full 2.5% increase.

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

### Questions?

If you have any questions regarding the implementation of these salary adjustments, please contact your SEMA4 HR Services Specialist:

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### SEMA4 Salary Adjustment Timeline – Year 1

06/03/2016	Mass Update (2.5% general adjustment, effective 7/1/2015) for Commissioner's Plan employees
06/06/2016 – 06/10/2016	Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in DocumentDirect.
6/06/2016 – 06/10/2016	Agencies enter a 2.5% general adjustment (PAY/PRF) effective 7/1/2015 for employees covered by the Managerial Plan and Commissioner's Plan Medical Specialists' Addendum who achieved satisfactory performance.
06/06/2016 – 06/10/2016	Agencies enter rate increases for work-out-of-class and trainee assignments. Further instructions regarding work-out-of-class transactions and trainee assignments will be provided.
06/24/2016	Paycheck reflects a 2.5% general adjustment and retroactive pay for employees covered by the Commissioner's Plan, Commissioner's Plan Medical Specialists' Addendum, and Managerial Plan.