



COMMONWEALTH of VIRGINIA

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May 22, 2013

MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White
Director, Agency Human Resource Services

SUBJECT: Fiscal Year 2014 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2014 (July 1, 2013 through June 30, 2014). Implementation guidance for 2013 performance evaluations will be distributed at a later date.

1) July 25, 2013 Employee Salary Increases

Chapter 806, 2013 Acts of Assembly, authorizes a two percent salary increase effective July 25, 2013 for state employees (full- and part-time classified and other salaried employees [appointed, at-will, and faculty employees]), contingent upon there being no downward adjustment in the revenue forecast. In addition, these employees (excluding faculty) who have completed at least five years of continuous state service will receive a salary compression compensation adjustment of \$65 for each full year of continuous service, up to a maximum of thirty years, also effective July 25, 2013. Sworn employees of the Department of State Police who have completed at least five years of continuous service will receive \$70 for each full year of continuous service, up to a maximum of thirty years. Faculty are not included in the salary compression compensation adjustment but are eligible for an additional 1% salary increase, also effective July 25, 2013. The salary compression compensation adjustment is also contingent upon there being no downward adjustment in the revenue forecast.

The attached FAQ document, also posted to our website at <http://www.dhrm.virginia.gov/compensation/communication/memos.html>, provides additional information. Key points are noted below.

- Employment Dates:

All employees in salaried positions as of April 24, 2013 and remaining employed on July 25, 2013 are eligible for the 2% salary increase, subject to the performance criteria outlined below.

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Employees' state-begin dates will provide the basis for calculating eligibility for the 2% increase as well as years of completed service for determining whether employees may be eligible for the salary compression compensation adjustment.

- Employee Performance:

Employees must have received a rating of at least "Contributor" on their latest performance evaluation in order to be eligible for the fiscal year 2014 salary increases. The eligibility of most employees will be determined by performance evaluations that were conducted in the fall of 2012 for the last performance cycle (October 25, 2011 through October 24, 2012). For employees rated in 2012, ratings in the 2012 IPP database will provide the basis for this determination. Employees who were rated "Contributor" or "Extraordinary Contributor" are eligible, while those rated "Below Contributor" are not. For employees whose performance has changed significantly since the 2012 evaluation so that eligibility for the salary increases cannot reasonably be based on that evaluation, agencies should follow the steps below:

1. Create a spreadsheet named "INCREASE-MANUAL-BLOCK" or "INCREASE-MANUAL-UNBLOCK" containing agency number, position number, and employee identification number. Please retain all leading zeros.
2. Upload the spreadsheet to HuRMan using the secure file upload utility or e-mail it to [Nancy Tobin](#) by July 18, 2013.
3. If an update to a previously submitted file is necessary, please resubmit the entire file. DHRM will load the last file received by July 18, 2013.

Active employees who were not rated in 2012 (those with blank ratings, "L" ratings, and those hired since the 2012 IPP database was created) but meet other criteria may receive the fiscal year 2014 increases when agencies submit a spreadsheet named "INCREASE-MANUAL-CERTIFY" using the format described above.

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who are certified or unblocked or unsatisfactory performance for employees who are blocked. This documentation could include: interim evaluations; probationary progress review forms; and notice of sub-standard performance forms.

Non-classified employees not in the 2012 IPP database but who meet other eligibility criteria for the 2% increases and/or the salary compression compensation adjustment will be assumed eligible unless agencies submit an "INCREASE-MANUAL-BLOCK" spreadsheet as described above.

Preliminary review files with names beginning with "INCREASE" will be placed in agencies' repository folders in HuRMan beginning July 3, 2013. **It is essential that agencies carefully review these files.** If changes are necessary, agencies should submit "INCREASE-MANUAL-BLOCK" or "INCREASE-MANUAL-UNBLOCK" spreadsheets as described above.

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- Faculty:

Faculty at public institutions of higher education are not included in the salary compression compensation adjustment. Instead, the Act authorizes an additional 1% increase for faculty, for a total increase of 3% effective July 25, 2013, provided that they meet the requirement for satisfactory performance. Faculty employees will be assumed eligible for the 3% increase unless agencies submit an "INCREASE-MANUAL-BLOCK" spreadsheet as described above.

- Provisions for the Salary Compression Compensation Adjustment:

Employees who have completed five years of continuous state service as of July 25, 2013 (have state begin dates of July 25, 2008 or earlier) will receive the compression adjustment of \$65 for each full year of service (\$70 for each full year for sworn officers of the Department of State Police), up to a maximum of thirty years, provided that they meet the performance criteria as described above. The Act specifies that the compression adjustment be added to employees' salaries **after** the 2% increase is applied.

Service will be computed based on employees' continuous salaried service as indicated by their state begin dates. Continuous salaried service in agencies in other branches of state government, with no break in service, does count, but such service may not be accurately reflected in employees' state begin dates in PMIS. **Therefore, agencies are encouraged to review state begin dates with their employees prior to July 25 to ensure that they are accurate.**

The amount of the yearly increase will be prorated for part-time and quasi-full-time salaried employees who are working less than twelve months per year or less than 100% full time (40 hours per week or equivalent) on July 25, 2013. For example, a qualifying employee who works 30 hours per week (75%) for 12 months per year will receive an increase of \$48.75 per full year of service. The lengths of service for part-time employees will be based on their state begin dates without any adjustment for the percent of full time.

- Wage Employees:

The base rates of pay for wage employees may be increased by up to two percent no earlier than July 25, 2013. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency. Agencies using the PMIS Wage3 system should enter transaction PSW090 with reason code 215 to increase salaries of wage employees.

- Elected Officials:

Elected officials are not covered by the 2% salary increase or the salary compression compensation adjustment effective July 25, 2013.

- Less than Twelve-month Employees:

DHRM will not automatically process increases for faculty or other employees designated as less than 12 months in PMIS. Agencies will need to key salary increases into PMIS for these

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excluded employees or to provide files for batch-loading the increases as they become effective on and/or after July 25, 2013. If an employee in this group is working on July 25, 2013, then the salary increase should begin effective July 25, 2013. More information will be provided by DOA to CIPPS agencies that have employees in this category. If the employee is not working, but continues to be paid for the work period that has been completed, the salary increase and member contributions should be effective when the employee returns to work and/or a new contract period for the employee begins.

2) Classified Salary Structure

The minimum for each salary band in the classified salary structure is being increased by two percent effective July 25, 2013. The maximum for each salary band is being increased by seven percent plus an additional \$1,950 also on July 25, 2013, for purposes of implementing the salary compression compensation adjustment. No salary increase shall be granted to any employee as a result of these actions. The new salary bands are attached to this memorandum.

Salary ranges for unclassified roles (role codes over 90000) will not be adjusted automatically. Agencies with positions in such roles should send the revised ranges to [iHelp](#).

3) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2013 are extended through June 30, 2014. You should continue to use the P-14 form to authorize any new differential payments. The form is on the DHRM website, <http://www.dhrm.virginia.gov/forms.html>. If your agency is a parent agency (e.g., Department of Corrections), for compensation practices that are consistent in all facilities or sub-agencies under the parent, you may choose to send in a single P-14 form rather than separate forms for each sub-agency. However, the agency codes for all sub-agencies covered by the authorization should be listed on the form. Individual P-14 forms will still be required for practices that are unique to single sub-agencies.

4) Supplements

Supplements, decentralized to agencies in 2000, are payments that are made only when employees meet the criteria for earning them. The decentralized supplements that have been identified include: On-Call Pay, Call-Back Pay, Camp Supplement, Charge Duty, Medication Supplement, Shift Pay, and Working Conditions Supplement. Effective July 1, 2010, overtime payment decisions made in accordance with the [Overtime Pay Guidance document, issued June 15, 2010](#), have also been decentralized to agencies. Agencies that want to pay a supplement that has not been previously identified should submit a P-14 request to DHRM for approval. If appropriate, new supplements will be available for use by all agencies.

5) Wage Authorizations (WE-14)

Forms WE-14 for wage employment are not required for hourly employees hired into any existing Role. Contact your assigned human resource management consultant if you need to establish an

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additional Role solely for the purpose of wage employment. We will continue to monitor use of the pre-approved Roles for wage employees.

6) Demonstration Projects

Agencies may consider compensation demonstration projects. Demonstration projects must have clearly defined objectives and specified time frames. They are limited to two years' duration. Any requests for projects should be discussed with your assigned human resource management consultant before being submitted for approval.

7) Sub-bands

Where appropriate, the Alternate Band fields on PMIS may be used by agencies to establish Sub-Bands within Pay Bands. Sub-Bands are intended for situations where a clear distinction must be maintained within Roles, such as for rank structures in law enforcement agencies. Since July 1, 2011, agencies have been able to enter transaction PSP111 to manage sub-bands for individual positions or groups of positions. Sub-bands established using this transaction will update automatically if and when any future adjustments to the pay band structure are approved. Agencies are encouraged to use this transaction in order to improve documentation and consistency in their salary administration.

8) New Language Pursuant to Workforce Transition Act Retirement

Chapter 806, 2013 Acts of Assembly, amended budget language to require review by the Directors of the Department of Planning and Budget and Department of Human Resource Management prior to authorizing the Virginia Retirement System to roll the cost of service credit received under the Workforce Transition Act into the contribution rates. Specifically, Item 468, paragraph K states:

Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia, for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from 1. budget reduction enacted in the Appropriation Act, 2. budget reduction executed in response to the withholding of appropriations by the Governor pursuant to § 4-1.02 of the Act, 3. reorganization of reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been approved by the Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other nongeneral fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

[Note: Code of Virginia §§ 2.2-3200 through 2.2-3206 comprise Title 2.2, Chapter 32, the Workforce Transition Act of 1995.]

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9) 2013 Performance Evaluations

Performance evaluations for the current performance cycle (October 25, 2012 through October 24, 2013) will not provide the basis for the fiscal year 2014 salary increases, but they will need to be completed for classified employees as required by Policy 1.40. As previously noted, implementation guidance will be distributed at a later date.

10) 2013 Performance-based Pay Increases

The General Assembly did not approve funding for additional performance increases effective November 25, 2013. Therefore, agencies, except for those excluded in Chapter 806, 2013 Acts of Assembly, Item 468, paragraph P.5., may not provide salary increases at that time based on performance during the October 25, 2012 through October 24, 2013 performance cycle.

The base rates of pay for wage employees may not be increased effective November 25, 2013 as a result of employees' performance.

Please ensure that a copy of this memorandum is provided to all human resource staff and to your agency's fiscal officer. If you have questions, please contact the human resource management consultant assigned to your agency.

Attachments

cc: Sara Redding Wilson
David A. Von Moll, State Comptroller
Daniel S. Timberlake, Director of Planning and Budget

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STATE (SW) PAY BANDS Effective July 25, 2013		
RANGE		
BANDS	MINIMUM	MAXIMUM
1	\$ 15,678	\$ 35,706
2	\$ 20,484	\$ 46,049
3	\$ 24,479	\$ 54,653
4	\$ 31,979	\$ 70,801
5	\$ 41,778	\$ 91,896
6	\$ 54,580	\$ 119,455
7	\$ 71,305	\$ 155,463
8	\$ 93,150	\$ 202,500
9	\$ 121,694	MARKET

NOVA (FP) PAY BANDS Effective July 25, 2013		
RANGE		
BANDS	MINIMUM	MAXIMUM
1	\$ 15,678	\$ 46,418
2	\$ 20,484	\$ 59,864
3	\$ 24,479	\$ 71,049
4	\$ 31,979	\$ 92,042
5	\$ 41,778	\$ 119,465
6	\$ 54,580	\$ 155,292
7	\$ 71,305	\$ 186,555
8	\$ 93,150	\$ 243,000
9	\$ 121,694	MARKET