



COMMONWEALTH of VIRGINIA

Department of Human Resource Management

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August 23, 2016

MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White
Director, Agency Human Resource Services

SUBJECT: Fiscal Year 2017 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2017 (July 1, 2016, through June 30, 2017). Implementation guidance for 2016 performance evaluations is also included.

1) 2016 Employee Salary Increases

The three percent salary increase originally included in Item 475, paragraph Q.1 of Chapter 780, 2016 Acts of Assembly, has been canceled due to there being a downward adjustment in the revenue forecast. Therefore, agencies may not provide salary increases based on performance during the October 25, 2015 through October 24, 2016 performance cycle.

The base rates of pay for wage employees may not be increased as a result of employees' performance during the October 25, 2015 through October 24, 2016 performance cycle.

2) Classified Salary Structure

The salary bands in the classified salary structure that became effective August 10, 2015, remain in effect for fiscal year 2017.

3) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2016, are extended through June 30, 2017. 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

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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 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) Language Pursuant to Workforce Transition Act Retirement

Chapter 806, 2013 Acts of Assembly, requires a review by the Directors of the Department of Planning and Budget and Department of Human Resource Management prior to authorizing the Virginia

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Retirement System to roll the cost of service credit received under the Workforce Transition Act into the contribution rates. This requirement continues for fiscal year 2016 in Chapter 7805, 2016 Acts of Assembly, Item 475, paragraph M, which 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.]

9) Performance Evaluations

Performance evaluations for the current performance cycle (October 25, 2015 through October 24, 2016) must be completed for classified employees as required by Policy 1.40. Please see the performance management implementation guidance distributed in conjunction with this memorandum.

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