



## FAQs

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### **Compensation Changes Authorized by Chapter 836, 2017 Acts of Assembly**

#### **Summary**

The following compensation changes authorized in Chapter 836, 2017 Acts of Assembly to become effective on July 10, 2017 or September 10, 2017 (See the Fiscal Year 2018 Authorizations and Compensation Activities memo for specific citations):

- July, 10, 2017 Changes:
  - A base salary adjustment of \$6,793 for all sworn officers of the Department of State Police - provided before the general 3% adjustment below
  - A 3% base salary adjustment for state employees (full and part-time classified and certain other salaried employees, including faculty, appointed, and at-will employees)
  - The base salaries of faculty members at state institutions of higher education shall be increased by two or three percent on July 10, 2017
- September 10, 2017 Changes:
  - A 2% salary adjustment for classified employees in certain high-turnover roles

Frequently asked questions and related instructions on how to apply the salary adjustments are provided throughout this document.

## **Employee Eligibility**

### **1. Who is subject to the July 10, 2017, 3% base salary adjustment?**

*All classified and other salaried employees, except elected officials, who were employed in salaried positions as of April 10, 2017, and who received a rating of “Contributor” or “Extraordinary Contributor” on their last performance evaluation or more recent interim evaluation are eligible to receive the 3% base salary adjustment effective July 10, 2017.*

### **2. Who is NOT subject to the July 10, 2017 3% base salary adjustment?**

*Employees who were hired or rehired after April 10, 2017 and employees who received a rating of “Below Contributor” on their last performance evaluation or more recent interim evaluation are not eligible to receive the 3% base salary adjustment effective July 10, 2017.*

### **3. Who is subject to the July 10, 2017, 2% adjustment for faculty and additional 1% for faculty at select institutions adjustment?**

*The base salaries of faculty members at the following institutions of higher education shall be increased by **two percent** on July 10, 2017, if eligible:*

*George Mason University (247)  
Old Dominion University (221)  
University of Virginia (207)  
Virginia Commonwealth University (236)  
Virginia Tech (208)  
College of William and Mary (204)  
University of Virginia – Wise (246)  
Longwood University (214)  
University of Mary Washington (215)  
Virginia Community College System (261 – parent with subs)  
Virginia Institute of Marine Science (268)  
Virginia Tech Extension (229)*

*The base salaries of faculty members at the select institutions of higher education defined below, that did not provide a supplement to faculty salaries in fiscal year 2017, shall be increased by **three percent** on July 10, 2017, if eligible:*

*Virginia Military Institute (211)  
Virginia State University (212)  
Norfolk State University (213)  
James Madison University (216)  
Radford University (217)  
Cooperative Extension and Agricultural Research Services VSU (234)  
Richard Bland College (241)  
Christopher Newport University (242)*

*Faculty who were employed in salaried positions at the higher education institutions above as of April 10, 2017, are eligible for this additional 2 or 3 percent salary increase, subject to the certification by the institution that they are performing at the equivalent to a contributor or above performance standard.*

**4. Why was April 10, 2017, selected as the cutoff employment date for the increases defined above?**

*These base salary adjustments are performance-driven increases. The three-month period from April 10, 2017, to July 10, 2017, provides a reasonable period for an agency to assess the probationary progress of a new employee.*

**5. Who is eligible for the additional State Police base salary increase on July, 10, 2017?**

*All sworn officers of the Virginia State Police employed as of July, 10, 2017 will receive an additional \$6,793 base salary increase on July, 10, 2017.*

**6. Who is subject to the September 10, 2017, additional 2% salary adjustments for high-turnover roles?**

*Employees in the roles listed below who were employed in salaried positions as of June 10, 2017, and who received a rating of “Contributor” or “Extraordinary Contributor” on their last performance evaluation or more recent interim evaluation are eligible to receive the 2% salary adjustment for high-turnover roles effective September 10, 2017. Employees*

*Direct Service Associate I - 49051*

*Direct Service Associate II - 49052*

*Direct Service Associate III - 49053*

*Housekeeping and/or Apparel Worker I - 79071*

*Licensed Practical Nurse - 49111*

*Registered Nurse I - 49112*

*Registered Nurse II/Nurse Practitioner I/Physician's Assistant - 49113*

*Therapy Assistant/Therapist I - 49231*

*Therapist II – 49232*

**7. Who is NOT subject to the September 10, 2017, additional 2% salary adjustment for high-turnover roles?**

*Employees who were hired or rehired after June 10, 2017; and employees who are not in the high-turnover roles listed in Question 8; and employees who are in the high-turnover roles listed in Question 8 who received a rating of “Below Contributor” on their last performance evaluation or more recent interim evaluation are not eligible to receive the 2% salary adjustment for high-turnover roles effective September 10, 2017.*

**8. Will employee performance ratings affect eligibility for the July 10, 2017, and the September 10, 2017, salary adjustments?**

*Yes. The July 10, 2017 and the September 10, 2017, salary adjustments are performance-driven. Employees must have received a rating of “Contributor” or “Extraordinary Contributor” on their latest performance evaluation or more recent interim evaluation in order to be eligible to receive a salary adjustment.*

**9. Can written notices under the Standards of Conduct policy be used to deny a July 10, 2017 or September 10, 2017, salary adjustment?**

*No. Written Notices were not included in the eligibility criteria approved by the Governor and General Assembly. For this reason, and because written notices are issued for a wide range of infractions, they should not be used exclusively to deny the increase – an interim performance evaluation is also needed. If an employee’s performance has declined to the extent that it is at the “Below Contributor” level, the supervisor should conduct an interim performance evaluation (note: as always, a written notice may be considered as documentation of performance during the interim performance evaluation process). Interim evaluations may be completed at any time before the June 26, 2017 or August 10, 2017 file upload deadlines. Agency management is responsible for assuring that all agency employees who receive the July 10, 2017 and/or the September 10, 2017, salary adjustments are performing at the contributor level or above.*

**10. Are employees whose ratings for the 2016 performance evaluation were recorded as “On Leave” eligible for the July 10, 2017 or September 10, 2017, salary adjustments?**

*Yes. An entry of “On Leave” in the 2016 IPP database will not automatically disqualify an employee from receiving the July 10, 2017 or September 10, 2017, salary adjustments if the employee is in active status on the increase date, and the employee’s agency certifies that the employee meets the requirement for satisfactory performance. The FY18 Compensation Memorandum outlines the steps for submitting spreadsheet to notify DHRM of unrated employees whose performance qualifies them to receive a fiscal year 2018 salary adjustments.*

**11. Are employees whose performance was not rated in 2016 eligible for the July 10, 2017 or September 10, 2017, salary adjustments?**

*Yes. Absence of a rating in the 2016 IPP database will not automatically disqualify an employee from receiving the salary adjustments if the employee is in active status on July 10, 2017 or September 10, 2017, and the employee’s agency certifies that the employee meets the requirement for satisfactory performance. The FY18 Compensation Memorandum outlines the steps for submitting spreadsheet to notify DHRM of unrated employees whose performance qualifies them to receive a fiscal year 2018 salary adjustment(s).*

**12. How should agencies treat employees whose performance has changed significantly since their 2016 evaluation so that their eligibility for the July 10,**

**2017 or September 10, 2017, salary increases cannot reasonably be based on that evaluation?**

*The FY18 Compensation Memorandum outlines the steps for submitting spreadsheets to notify DHRM of employees for whom increases should be blocked or unblocked based on significant changes in performance. Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who are 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. Agencies should ensure that all employees are aware of their current performance rating and its impact on these salary increases.*

**13. Some recently hired employees will meet the employment date for eligibility for the salary adjustments, but will not have a performance rating in the 2016 IPP database - how should the agency document that the employee meets the required performance level?**

*Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for newly-hired and other employees who have no rating in the 2016 IPP database. This documentation could include: interim evaluations and probationary progress review forms. The FY18 Compensation Memorandum outlines the steps for submitting a spreadsheet to notify DHRM of unrated employees whose performance qualifies them to receive the fiscal year 2018 salary adjustments.*

**14. Are employees whose positions are funded entirely by federal grants or other special funding sources subject to the July 10, 2017 or September 10, 2017, salary changes?**

*Yes. As with other general, performance, role specific, or across-the-board increases that are funded in the state budget, the increases apply to employees whose positions are funded by grants or other special funding sources in addition to those funded by the General Fund.*

**15. Are wage employees eligible for the salary adjustment?**

*Yes. The base rates of pay for wage employees may be adjusted by up to 3% no earlier than July 10, 2017. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.*

*Please be aware that batch processing for wage employee increases is not currently available and make plans to key these transactions manually. Please note that wage salary increase transactions cannot be keyed in advance and must be keyed on or after July, 10, 2017. Contact your assigned human resource management consultant for further information on possible keying support for updating wage employee salaries.*

**16. Are wage employees eligible for the additional 2% salary increase provided for high-turnover roles on September 10, 2017?**

*No, the Act authorizes agencies to adjust the base rates of pay for wage employees by up to 3% no earlier than July 10, 2017. The additional 2% salary increase for high-turnover roles applies to salaried classified employees.*

**17. Will employees whose salaries are at or near the maximum of their pay bands receive the July 10, 2017 or September 10, 2017, salary adjustments?**

*Yes, provided that they meet the eligibility criteria. If the salary adjustments will place an employee's new salary over the maximum of the new pay band, the employee's base pay will be increased to the new maximum and the remaining amount will be paid as a one-time bonus.*

**18. Will employees whose salaries are frozen above the maximum of their current pay bands receive the July 10, 2017 or September 10, 2017, salary adjustments?**

*Yes, provided that they meet the required eligibility criteria. If an employee's salary is frozen at an amount that exceeds the maximum of the new pay band, the employee will receive a bonus rather than a salary increase for the amount in excess of the new pay band maximum.*

**19. For employees separating effective July 10, 2017 or September 10, 2017, will the July 10, 2017 or September 10, 2017 salary adjustments apply to their leave payments or other benefits?**

*No. The last day worked for an employee separating effective July 10, 2017, is July 9, 2017. Therefore, the employee is not employed on July 10, 2017, and is not eligible for the July 10, 2017, salary increases.*

*The last day worked for an employee separating effective September 10, 2017, is September 9, 2017. Therefore, the employee is not employed on September 10, 2017, and is not eligible for the September 10, 2017, high turnover roles salary increases.*

**Effect on Employees' Compensation**

**20. How will this change affect my "take-home pay"?**

*Each employee's situation is somewhat unique, depending on his or her salary and the deductions that are taken from his or her paycheck. The higher annual salary will result in an increase in all payroll tax withholdings and other salary-based withholdings like Optional Life Insurance. Therefore, it is likely that the change in take-home amounts may vary somewhat among employees as a result of payroll*

deductions. **Note:** Optional Group Life withholding only changes on January 1 of each year, regardless of salary changes during the year.

**21. When will I see the changes in my paycheck?**

*The July 10, 2017, salary adjustments will first appear in the August 1, 2017, paycheck. The September 10, 2017 salary adjustments will first appear in the September 29, 2017 paycheck.*

**22. Can all or part of the July 10, 2017 or September 10, 2017 salary adjustments be deposited into Deferred Compensation?**

*Yes. The salary adjustments become part of an employee's new regular salary. As such, part or all of the increase may be deferred, subject to VRS Defined Contribution Plan guidelines and limitations. See plan information at [www.varetire.org](http://www.varetire.org) for instructions.*

**23. How will the July 10, 2017 or September 10, 2017 salary adjustments affect my retirement benefit calculation?**

*The salary adjustments will increase employees' creditable compensation. Any future salary increases will be applied to this higher salary. Therefore, any months beginning August 2017 or October 2017 that are included in an employee's Average Final Compensation (AFC) will increase the employee's retirement benefit accordingly.*

**24. Will the July 10, 2017 or September 10, 2017 salary adjustments affect my other benefits?**

*The salary increase amount is subject to payroll deductions for Social Security and Medicare as well as federal and state income taxes. This may result in an increase in an employee's future Social Security entitlement depending on his or her individual situation. It will also affect the rate used in calculating payments for accrued leave hours.*

**Calculating the Salary Adjustments**

**25. Which increase will be applied first?**

*The salary adjustments will be applied in the following order.*

- 1. July, 10, 2017 increases:*
  - a. For sworn officers of the State Police only, a \$6,793 base salary increase will be applied first.*
  - b. Then, the general 2% or 3% base salary increases will be calculated and applied to all eligible salaried and faculty employees.*
- 2. September 10, 2017 increases:*

- a. *If the employee is eligible, the 2% increase for high-turnover roles, will be calculated and applied on September 10, 2017.*

*The following examples illustrate the calculations of the salary adjustments for a full-time classified employee, a faculty member, a sworn officer of the Department of State Police, and an employee in a high turnover role, all with a base salary of \$50,000.*

*For a full-time classified employee or faculty member receiving the 3% increase, the calculation for the 3% increase would be as follows:*

$$\$50,000 + 3\% (\$1,500) = \$51,500 \text{ -- Total new salary} = \$51,500$$

*For faculty receiving the 2% increase, the calculation for the 2% increase would be as follows:*

$$\$50,000 + 2\% (\$1,000) = \$51,000 \text{ -- Total new salary} = \$51,000$$

*For a sworn officer of the Department of State Police on July 10, 2017, the calculation would be as follows:*

$$\begin{aligned} \$50,000 + \$6,793 &= \$56,793 \\ \$56,793 + 3\% (\$1,704) &= \$58,497 \text{ -- Total new salary} = \$58,497 \end{aligned}$$

*For an employee in a position in a high-turnover role on both July 10, 2017 and September 10, 2017 the calculations would be as follows:*

$$\begin{aligned} \$50,000 + 3\% (\$1,500) &= \$51,500 \text{ (July 10, 2017)} \\ \$51,500 + 2\% (\$1,030) &= \$52,530 \text{ (September 10, 2017)} \end{aligned}$$

**26. How will the employee's new salary be calculated?**

*If PMIS indicates that an employee is employed 100% (40 hours per week for 12 months), PMIS will multiply the employee's current annual salary (including cents if there are any) by the appropriate percentage and the result will be rounded to the nearest dollar (.5 and above rounds up).*

*If the employee is employed for less than 100% and 12 months, the salary increase will be prorated based on the employee's percent of full time with the calculated result being rounded to the nearest cent, just as part-time salaries are currently prorated in PMIS.*

**27. Are the general base salary adjustments calculated on base pay or total state pay?**

*PMIS records for affected employees will automatically reflect the appropriate salary adjustment to base state salary effective July 10, 2017 or September 10, 2017.*



**28. Do special rates count toward the calculation of the salary adjustments?**

*No. Special rate differentials, which are entered into PMIS as annual salary amounts, will be adjusted by employees' agencies if appropriate. Agencies paying special rate differentials as flat amounts will determine whether or not to increase those amounts.*

*Special rate differentials and non-state salary supplements, which are entered into PMIS as annual salary amounts, must be adjusted by employees' agencies if appropriate. Please be aware that batch processing to adjust salaries for special rate differentials and non-state salary supplements is not currently available and plan accordingly. Follow these steps to adjust agency special rates in PMIS: psmenu → Employee → Change Compensation – No Change in Role / Position → Agency Special Rate.*

**29. Do “non-state salary” supplements count toward the calculation of the salary adjustments?**

*No. The amounts of non-state salary supplements are determined by non-state entities. Therefore, the amounts will not be adjusted automatically effective July 10, 2017 or September 10, 2017. Affected state agencies will need to process any adjustments to non-state supplements individually.*

**30. Does Temporary Pay count toward the calculation of the salary adjustments?**

*No. Temporary Pay is paid when an agency assigns an employee to perform different key (essential) duties on an interim basis, for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher level position. Because these assignments are temporary, the additional pay associated with them is not creditable for retirement purposes. Therefore, these amounts will not be automatically adjusted effective July 10, 2017 or on September 10, 2017.*

*Temporary pay must be adjusted by employees' agencies if appropriate. Please be aware that batch processing to adjust salaries for temporary pay and non-state salary supplements is not currently available and plan accordingly. Follow these steps to adjust temporary pay in PMIS: psmenu → Employee → Change Compensation – No Change in Role / Position → Agency Temporary Pay.*

**Processing the Increases**

**31. What sequence will be followed if there are other employee status changes effective July 10, 2017 and on September 10, 2017?**

*Actions such as promotions that are keyed into PMIS prior to July 10, 2017 or September 10, 2017 (for the high turnover roles only) to become effective on that*

*date will be processed before any salary adjustments are applied. Such actions should be keyed into PMIS by the close of business on July 9, 2017 or September 9, 2017, respectively. Promotions or other actions that change employees' salaries after July 10, 2017 or September 10, 2017 (for the high turnover roles only), should not be keyed into PMIS until after the salary adjustments have been applied.*

**32. What happens to employees on leave?**

- a) Otherwise-qualified employees who are on short-term disability or other paid leave will receive the salary adjustments on the respective effective dates.*
- b) Employees on long-term disability-working will also have the salary adjustments applied to their current rates of pay. The adjustments do not apply to individuals who are on long-term disability-non-working.*
- c) Employees on leave without pay are not eligible for the salary adjustments until they return to work or paid leave.*
- d) Agencies should adjust the military supplements of eligible employees on leave without pay-military to reflect the salary adjustments.*
- e) The salary adjustments will not be automatically applied for any employee who has an overdue leave end-date in PMIS as of July 10, 2017 or September 10, 2017. Agencies should review and update these employees' records on an individual basis and process their salary increases after their Return-to-Work transactions have been entered into PMIS.*

*NOTE: These rules are based on policies that apply to classified employees.*

**33. What PMIS transaction should agencies use to update the salaries of employees on leave without pay or, for less than 12-month employees who are not actively working on July 10, 2017 or September 10, 2017, in order to grant the salary adjustments when they return to work?**

*The transaction PSE215 should be used to implement the increases for these employees on the appropriate effective date. A transaction to return the employees from leave should be entered before the PSE215 is entered. Please see question 35 for more details on situations where 50 or more employees need to be updated.*

**34. How will the July 10, 2017 and September 10, 2017, salary adjustments be processed for employees who are indicated in PMIS as working less than 12 months each year?**

*The salaries of employees in this group will not be processed automatically effective July 10, 2017 or September 10, 2017, because PMIS will not know whether the employees are in an active employment period on that date.*

- a) For employees who are actively employed on July 10, 2017 or September 10, 2017, agencies should process the increase effective on that date using the PSE215 transaction.*

b) *If there are employees in the above category (working less than 12 months and working on July 10, 2017 or September 10, 2017) who will be paid part of their annual salary after their work period has been completed (e.g., work 10 months but paid over 12 months), agencies should apply the July 10, 2017 or September 10, 2017, salary adjustments to their pay for the work performed beginning July 10, 2017 or September 10, 2017, and to the additional pay due after their work periods have been completed. DOA will provide separate communication to agencies with employees in this category.*

c) *For employees who have completed their annual work period before July 10, 2017 or September 10, 2017, and are not active on that date, agencies should effect the July 10, 2017 or September 10, 2017, salary adjustments when the employees return to work.*

**35. What process should agencies use to update the salaries of employees on leave without pay or, for less than 12-month employees who are not actively working on the increase date to receive the salary adjustments when they return to work?**

*The transaction PSE215 should be used to effect the increases for these employees on the appropriate effective date. A transaction to return the employees from leave should be entered before the PSE215 is entered.*

*In situations where there are over 50 employees to be entered, agencies may use the secure file upload utility in HuRMan to send a file for batch processing rather than keying in the PSE215 transactions. Agencies may send one batch file for all of these employees or separate files for different effective dates where there are over 50 employees per file. Name your file INCREASE-UPLOAD. The batch file(s) can be either in Excel or a text file, but all fields must be text data type, retaining any leading zeros. Files should contain agency-number, position, employee-id, and effective-date (YYYYMMDD, e.g., 20170825) to fully identify the employee in PMIS. The salary adjustment will be calculated using the current base salary in PMIS on the effective date.*

**36. Will DHRM provide data review files to PMIS agencies as were provided for previous salary adjustments?**

*Yes, for the July, 10, 2017 increase files will be delivered to the applicable agency HuRMan files and reports repository folders on 6/12, 6/19, 6/26, 7/6, 7/10 – for the September 10, 2017 increase files will be delivered to the applicable agency HuRMan files and repositories on 8/21, 8/28 and 9/6 as described below:*

a) *A bar-delimited file named INCREASE-agency-date.txt, listing PMIS employees eligible for the fiscal year 2018 salary adjustments will be placed in agencies' HuRMan repository folders.*

- b) Another file, named *INCREASE-12MO-agency-date.txt*, will list those employees who are indicated in PMIS as working less than 12 months each year that will not be processed automatically because PMIS will not know whether the employees are in an active employment period on that date.
- c) A third file, named *INCREASE-EXC-agency-date.txt*, will list those employees whose salary increases will not be processed automatically because they are:
- excluded due to expired ordinary leave-with-pay return dates (record is tagged with message “LV-EXP”); **OR**
  - excluded due to their performance evaluation rating (record tagged with “BELOWC”); **OR**
  - blocked manually (record tagged with “MANUAL”) because the agency has included them on an *INCREASE-MANUAL-BLOCK* file submitted to indicate that their increases should not be processed.
- d) A fourth file, named *INCREASE-BYPASS-agency-date.txt*, will list those employees not listed above who will not have salary increases processed, because the employees are indicated in PMIS as being on “Leave Without Pay” or having state begin dates later than April 10, 2017 for the July 10, 2017 increase or June 10, 2017 for the September 10, 2017 increase.

**Agencies should review the reports for accuracy and completeness, update them with appropriate additions and/or deletions, and return them to DHRM through email to [Nancy Tobin](mailto:Nancy.Tobin@dhrm.virginia.gov) or the file upload utility. For more information about the review files and to keep abreast of ITech’s broadcast messages, agencies can visit ITech’s website, <http://web1.dhrm.virginia.gov/itech/>.**

## **Other**

### **37. Will the Commonwealth’s Salary Structure be adjusted?**

*Yes. The minimum for each salary band in the classified [salary structure](#) is being increased by three percent effective July 10, 2017. The maximum for each salary band is being increased by three percent plus an additional \$6,793 also on July 10, 2017. No salary increase shall be granted to any employee as a result of these actions.*

### **38. What happens to employees who were hired after April 10, 2017, at salaries that will be below the new pay band minimums on July 10, 2017?**

*Agencies may apply pay practices under [DHRM Policy 3.05, Compensation](#), consistent with agency Salary Administration Plans, to adjust the salaries of these employees, if appropriate. In-Band Adjustments effective June 25, 2017, or later will count against the 10% limit for fiscal year 2018. However, DHRM will work with agencies where necessary to allow an additional 3% for employees hired at the pay band minimum during the April 10 to July 10, 2017, time period.*

**39. What happens to employees whose salaries will fall below the new pay band minimums on July 10, 2017, due to “Below Contributor” performance that disqualifies them from the salary adjustments?**

*Agencies should continue to monitor and document the performance of these employees through probationary progress reviews, interim evaluations, and the formal 2017 performance evaluation process. If employees’ performance improves to the “Contributor” level, agencies may apply pay practices under [DHRM Policy 3.05, Compensation](#), consistent with agency Salary Administration Plans, to adjust the salaries of these employees, if appropriate.*

**40. Will there be a performance-based pay increase effective November 25, 2017, in addition to the July 10, 2017, salary adjustments?**

*No. The General Assembly did not approve additional funding for performance increases effective November 25, 2017. Therefore, agencies, except for those excluded in Chapter 836, 2017 Acts of Assembly, and Item 475, paragraph X.5a-i, may not provide salary increases at that time based on performance during the October 25, 2016, through October 24, 2017, performance cycle.*

>>>>>>>>> **END** <<<<<<<<<<