



# COMMONWEALTH of VIRGINIA

## Department of Human Resource Management

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July 6, 2018

### MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White  
Acting Director, Department of Human Resource Management (DHRM)

SUBJECT: Fiscal Year 2019 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2019 (July 1, 2018, through June 30, 2019).

The following compensation changes authorized in Chapter 2 of the 2018 Special Session I, Acts of Assembly are effective on January 10, 2019 or on June 10, 2019.

#### 1) **Contingencies for FY 2019 Salary Increases**

Item 474, paragraph S.1 of Chapter 2, 2018 Special Session I, Acts of Assembly, states that all pay actions for FY 2019 are contingent on general fund revenue forecasts for fiscal years 2019 and 2020 being no less than the revenues assumed in the 2018 Appropriation Act.

#### 2) **January 10, 2019, Targeted Employee Salary Increases**

##### A. **Correctional Officers and Correctional Officer Seniors base salary increase**

1. Item 474, paragraph W. of Chapter 2, 2018 Special Session I, Acts of Assembly, states that the base salaries of Correctional Officers and Correctional Officer Seniors (Role Code 69113) within the Department of Corrections (Parent Agency 701) shall be increased by \$2,016.00 on January 10, 2019.
2. Item 474, paragraph X. of Chapter 2, 2018 Special Session I, Acts of Assembly, states that the base salaries of Juvenile Correctional Officers and Juvenile Correctional Officer Seniors (Role Code 69113) within the Department of Juvenile Justice (Agency 777) shall be increased by \$1,846.00 on January 10, 2019.

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### B. Virginia Marine Police Officers base salary increase

Item 474, paragraph Y.3. of Chapter 2, 2018 Special Session I, Acts of Assembly, states that the salary for all current members of the Virginia Marine Resources Commission's (Agency 402) Virginia Marine Police with more than one year of service on January 10, 2019 shall be the greater of \$43,905.00 or their current salary adjusted for a 6.5 percent increase effective on January 10, 2019.

### C. Department of Behavioral Health and Developmental Services base salary increases

Item 474, paragraph Z. of Chapter 2, 2018 Special Session I, Acts of Assembly, states that the base salaries for all Direct Service Associates (Role Codes 49051-49053), Licensed Practical Nurses (Role Code 49111), and Registered Nurses (Role Codes 49112-49114) working in facilities of the Department of Behavioral Health and Developmental Services (Parent Agency 720) may be increased to within three percent of the market median effective January 10, 2019.

### D. Implementation guidance for January 10, 2019 salary increases

DHRM's [human resource management consultants](#) will coordinate directly with impacted agencies to implement a process to update affected employee salaries for all January 10, 2019 salary actions in the Personnel Management Information System (PMIS).

## 3) **June 10, 2019, Employee Salary Increases**

### A. Two percent base salary increase

Item 474, paragraph T. of Chapter 2, 2018 Special Session I, Acts of Assembly, authorizes a two percent base salary increase effective June 10, 2019, for state employees (full and part-time classified and certain other salaried employees, including faculty, appointed, and at-will employees). All eligible employees in salaried positions as of March 10, 2019, shall be awarded the two percent base salary increase, subject to the performance criteria outlined under "Employee Performance" in section 4 below.

Agency heads listed in T.5.a-i., may utilize agency funds or the funds provided pursuant to paragraph T. to implement the provisions of new or existing performance-based pay plans.

### B. Additional merit based salary increase for employees with three years or greater continuous service

Item 474, paragraph V. of Chapter 2, 2018 Special Session I, Acts of Assembly, authorizes an additional merit based salary increase effective June 10, 2019, for state employees with three or more years of continuous state service (except for faculty at institutions of higher education, appointed officials and employees designated as university staff at institutions of higher education, and judges and justices in the Judicial Department, and Officials whose salary is listed in § 4-6.01 of the act). All employees in eligible salaried positions with three years or greater continuous state service on June 10, 2019, are eligible for an additional merit based salary increase subject to the appropriation funding limit and the performance criteria outlined under the "Employee Performance" instructions in section 4 below.

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Agency directors shall have the authority to provide eligible employees a merit increase in excess of two percent provided the *total cost* of all merit increases for the agency *does not exceed* two percent of the total state salaries of all eligible employees. The following guidelines are recommended by DHRM if agency directors elect to vary the amount of the additional merit based salary increase:

- Employees rated **Below Contributor** are not eligible for the additional merit based increase.
- Employees rated **Contributor** should receive between 25% and 100% of the additional merit based salary increase. (Minimum of .5% - Maximum of 2.0%)
- Employees rated **Extraordinary Contributor** should receive between 100% and 300% of the additional merit based salary increase. (Minimum of 2.0% - Maximum of 6.0%)

To support a fair and equitable process DHRM recommends that employees who have received promotions, voluntary transfers, reassignments, demotions, role changes, or in-band adjustments are eligible to receive the same percentage based on their performance evaluation as those employees who have not received the noted pay actions. Agencies should continue to fully adhere to all the applicable procedures and instructions of the [Performance Management Policy 1.40](#).

If a merit based increase places an employee's new salary over the maximum of the updated June 10, 2019 effective pay bands, the employee's base pay will be increased to the new pay band maximum and the remaining amount will be paid as a one-time bonus.

Agency heads listed in V.2.a-i., may utilize agency funds or the funds provided pursuant to paragraph V. to implement the provisions of new or existing performance-based pay plans.

### C. Implementation guidance for June 10, 2019 salary increases

DHRM will communicate guidance on the process to update affected employee records for all June 10, 2019 salary actions in the Personnel Management Information System (PMIS) in early 2019.

## 4) Additional Information

Additional information regarding FY19 compensation activities is provided in this section regarding Employee Performance, Wage Employees, and Elected Officials. Please also reference the FAQ document posted on [our website](#) for further details on the June 10, 2019 salary actions.

- Employee Performance:

Item 474 directs that employees must have received a rating of at least "Contributor" on their latest performance evaluation in order to be eligible for certain components of the fiscal year 2019 salary increases. The eligibility of most employees will be determined by performance evaluations that will be conducted in the fall of 2018 for the current performance cycle (October 25, 2017 through October 24, 2018). Agencies are responsible for tracking the performance evaluation ratings of employees and determining the employee's eligibility for fiscal year 2019 pay actions. PMIS IPP functions will not be available to centrally record and track 2018 performance evaluation ratings. Employees who were rated the equivalent of "Contributor" or "Extraordinary Contributor" are eligible, while those rated "Below Contributor" are not.

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NOTE: The appointing or governing authority of Judicial and Legislative Departments, Independent agencies, and agencies of the Executive Department not subject to the Virginia Personnel Act shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to other eligible employees.

- Wage Employees:

The base rates of pay for wage employees may be increased by up to two percent no earlier than June 10, 2019. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

- Elected Officials:

Elected officials are not covered by the salary increases effective June 10, 2019.

### 5) Classified Salary Structure

If contingencies are met and the June 10, 2019 pay increases are implemented, the minimum and maximum for each salary band in the classified salary structure will be increased by four percent effective June 10, 2019, pursuant to Item 474, paragraph T.3. No salary increase shall be granted to any employee as a result of this action. A table of the proposed new salary bands is provided at the end of this memorandum.

If the pay bands are updated, salary ranges for unclassified roles (role codes over 90000) will also be adjusted by four percent at the minimum and the maximum effective June 10, 2019. Agencies who do not want their unclassified ranges adjusted automatically should notify [iHelp](#) no later than April 15, 2019.

### 6) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2018, are extended through September 30, 2018. All exceptional/special pay authorizations must be reviewed and updated with your assigned [human resource management consultant](#) *no later than September 30, 2018*. Agencies should continue to use the [P-14 form](#) to authorize differential payments. 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 a separate form 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.

### 7) 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

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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.

**8) Wage Authorizations (WE-14)**

Form WE-14 for wage employment is *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. DHRM will continue to monitor use of the pre-approved Roles for wage employees.

**9) 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.

**10) Alternate Bands and 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.

**11) Language Pursuant to Workforce Transition Act Retirement**

Chapter 2, 2018 Special Session I, Acts of Assembly, Item 474, and paragraph M.1, requires enhanced retirement actions be pre-certified by DPB and DHRM to be fully funded by the VRS:

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 or 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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If you have questions about the certification process, please contact the [human resource management consultant](#) assigned to your agency.

**12) 2018 Performance Evaluations**

Performance evaluations for the current performance cycle need to be completed for classified employees as required by [Policy 1.40](#). Agencies are responsible for tracking and keeping records of 2018 performance cycle evaluation ratings for all employees. PMIS IPP functions will not be available to centrally record and track 2018 performance evaluation ratings.

**13) 2018 Performance-based Pay Increases**

The General Assembly did not approve funding for additional performance increases effective November 25, 2018. Therefore, agencies, except for those defined in Chapter 2, 2018 Special Session I, Acts of Assembly, Item 474, paragraph T.5.a-i., may not provide salary increases at that time based on performance during the October 25, 2017, through October 24, 2018, performance cycle. Additionally, the base rates of pay for wage employees may not be increased effective November 25, 2018 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.

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

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<b>STATE (SW) PAY BANDS*</b> <b>June 10, 2019</b>		
<i>Band</i>	<i>Minimum</i>	<i>Maximum</i>
1	\$17,131	\$48,649
2	\$22,382	\$59,950
3	\$26,747	\$69,350
4	\$34,942	\$86,995
5	\$45,648	\$110,043
6	\$59,636	\$140,155
7	\$77,910	\$179,498
8	\$101,778	\$230,892
9	\$132,966	MARKET

<b>NOVA (FP) PAY BANDS*</b> <b>June 10, 2019</b>		
<i>Band</i>	<i>Minimum</i>	<i>Maximum</i>
1	\$17,131	\$61,124
2	\$22,382	\$75,815
3	\$26,747	\$88,037
4	\$34,942	\$110,973
5	\$45,648	\$140,937
6	\$59,636	\$180,082
7	\$77,910	\$213,985
8	\$101,778	\$275,657
9	\$132,966	MARKET

\*Pay Band changes are contingent, See Section 1