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DIRECTOR

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July 8, 2019

MEMORANDUM

TO: Agency Human Resource Directors

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

SUBJECT: Fiscal Year 2020 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2020 (July 1, 2019, through June 30, 2020). The following compensation activities reflect the directives found in the 2019 Appropriation Act.

1) **Fiscal Year 2020 Employee Salary Increase Information**

At the time of publication of this memo, no state-wide general or specific role targeted salary increases are scheduled for implementation during fiscal year 2020.

2) **Classified Salary Structure**

No adjustments to the classified salary structure are currently scheduled during fiscal year 2020.

3) **Differential Authorizations**

P-14 authorizations for differentials that are scheduled to end on June 30, 2019, are extended through June 30, 2020. Please continue to use the P-14 form to authorize any new differential payments. If your agency is a member of a parent agency (e.g., Department of Corrections), to support 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.

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

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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 may need to pay a supplement that has not been previously identified should submit a P-14 request to the [compensation group](#) at DHRM for approval. If appropriate, any approved new supplements will be available for use by all agencies.

### **5) Wage Authorizations (WE-14)**

The employment records of all existing and new wage employees must be recorded and maintained in the Wage 3 sub-system of PMIS. Form WE-14 for wage employment is not required for hourly employees hired into any existing Role. Contact the [compensation group](#) at DHRM 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.

### **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 the [compensation group](#) at DHRM before being submitted for approval.

### **7) 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.

*Please note:* current issues with PMIS require that any changes or additions to alternate/sub bands must be programmed directly by DHRM's iTech group. Please submit requests for alternate/sub band changes or additions to the [compensation group](#) at DHRM who will review and schedule updates with iTech.

### **8) Language Pursuant to Workforce Transition Act Retirement**

The Appropriation Act, Item 474, 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

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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.]

If you have questions about the certification process, please contact the [compensation group](#) at DHRM.

**9) 2019 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 2019 performance cycle evaluation ratings for all employees that may be needed to manage pay and compensation activities. *PMIS will no longer be available to provide IPP system functions or to centrally record and track performance evaluation ratings for employees.* The [compensation group](#) at DHRM is coordinating with the Cardinal HCM project to implement access to performance ratings to support pay actions in the new Cardinal HCM system.

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 [compensation group](#) at DHRM.

cc: Emily S. Elliott, Director of Human Resource Management  
David A. Von Moll, State Comptroller  
Daniel S. Timberlake, Director of Planning and Budget  
Adam Rosatelli, Senate Finance Committee  
Michael Jay, House Appropriations Committee