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April 26, 2021

MEMORANDUM

TO: Agency Human Resource Directors

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

SUBJECT: Fiscal Year 2022 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for Fiscal Year 2022 (July 1, 2021, through June 30, 2022). The following compensation activities reflect the directives found in Chapter 552 of the 2021 Virginia Acts of Assembly.

1) June 10, 2021 Employee Salary Increases

Item 477 X.1. Chapter 552 of the 2021 Virginia Acts of Assembly authorizes a five percent salary increase effective June 10, 2021 for eligible full- and part-time classified and other salaried state employees including appointed, at-will, and faculty employees unless otherwise specified in this memorandum. Adjunct Faculty employees at two- and four-year colleges and universities are also eligible for the five percent salary increase.

2) June 10, 2021 Virginia State Police Sworn Officer Increases

Item 477 of Chapter 552 of the 2021 Virginia Acts of Assembly authorizes an eight percent salary increase for sworn employees of the Department of State Police effective June 10, 2021.

In addition, Item 477 paragraph OO, further authorizes sworn employees of the Department of State Police who have three or more years of continuous state service as of June 10, 2021 will receive a salary compression compensation adjustment of \$100 for each full year of continuous service, up to a maximum of thirty years, also effective June 10, 2021. The Act specifies that the compression adjustment be added to employees' salaries *after* the eight percent salary increase is applied.

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3) Employment Dates and Eligibility Requirements

All employees in salaried positions as of March 10, 2021 and remaining employed on June 10, 2021 are eligible for the statewide salary increase.

Employees covered by the Virginia Personnel Act must also have achieved a performance rating of Contributor or higher to be eligible.

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance assessments for employees. This documentation could include annual performance evaluations, interim evaluations, probationary progress review forms, and notice of sub-standard performance forms.

Salary increases for state employees **not** subject to the Virginia Personnel Act shall be consistent with the performance eligibility provisions as determined by the appointing or governing authority.

The governing authorities of those state institutions of higher education with non-classified employees may provide a salary adjustment based on performance and other employment related factors, as long as the increases do not exceed the five percent increase, on average. In addition, in recognition of differing financial circumstances and factors at this time, the governing authorities shall have the flexibility, for employee groups other than for classified employees, to provide for an overall percentage increase that is less than five percent.

4) Wage Employees

The base rates of pay for wage employees may be increased by up to five percent effective no earlier than June 10, 2021. 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.

5) Elected Officials

Elected Officials are not eligible for the five percent salary increase.

6) December 1, 2021 Bonus

Item 477, paragraph RR, authorizes a one-time bonus payment of \$1,000 on December 1, 2021 for corrections and law-enforcement staff of the Department of Corrections and the

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Department of Juvenile Justice, who are employed as of November 24, 2021. Additional details and instructions will be provided at a later date.

7) Classified Salary Structure

Effective June 10, 2021 the minimums and maximums of the state classified salary plans (Statewide and NOVA) shall be adjusted as follows:

Pay Band 1 will be adjusted by 14.2% at the minimum, to account for the new minimum wage, and by 12% at the maximum.

Pay Bands 2 -8 will be adjusted by 5% at the minimum and by 12% at the maximum.

Pay Band 9 will be adjusted by 5% at the minimum. The maximum shall continue to reflect "Market".

No salary increase shall be granted to any employee as a result of this action.

8) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2021, are extended through June 30, 2022 unless otherwise noted on the approval document. 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.

9) 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 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.

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10) Wage Authorizations

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.

11) 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.

12) Alternate Bands and Sub-bands

Where appropriate, the alternate band fields in 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: Any changes or additions to alternate/sub bands must be programmed directly by DHRM. Please submit requests for alternate/sub band changes or additions to the [Compensation Group](#) at DHRM.

13) Language Pursuant to Workforce Transition Act Retirement

The Appropriation Act, Item 477, 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

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donations, or other non-general 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 [DHRM Policy Team](#).

14) 2021 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 2021 performance cycle evaluation ratings for all employees that may be needed to manage pay and compensation activities. *PMIS is no longer available to provide IPP system functions or to centrally record and track performance evaluation ratings for employees. This functionality will be available after the transition to Cardinal HCM.*

FAQs; agency instructions regarding the submission of files listing employees who are ineligible for the increase and should be BLOCKED in the PMIS automated June 10, 2021 salary increase processing; the revised salary structure tables, and related resources are available at [June 10, 2021 Salary Increase Resources](#).

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 and Appropriations Committee
Michael Jay, House Appropriations Committee