



FAQs

FY23 Compensation Changes Authorized by Chapter 2, 2022 Acts of Assembly

Summary

The following compensation changes authorized in Chapter 2, 2022 Acts of Assembly to become effective on July 10, 2022 (See the Fiscal Year 2023 Authorizations and Compensation Activities memo for specific citations):

- July 10, 2022 Changes:
 - A 5% base salary adjustment for eligible full- and part-time classified and other salaried state employees including appointed, at-will, and faculty employees except those employees who will be receiving a targeted salary increase at or above 7.5 percent in fiscal year 2023 are eligible to receive a 2.5 percent increase or unless otherwise specified in this memorandum. Adjunct Faculty employees at two and four-year colleges and universities are also eligible for the 5% salary increase.
 - An increase in compensation for direct care staff in state facilities to fifty percent of the benchmark for such positions.
 - An increase in starting pay for DOC Correctional Officers up to \$42,000 and provides an increase based on rank and years of service in addition to the base pay increase.
 - An increase to starting pay for sworn officers of the State Police up to \$51,500 (\$64,383 in Northern Virginia), as well as increases based on rank and years of service in addition to the base pay increase.
 - A \$3000.00 increase to base pay for DOC Probation and Parole Officers, including senior officers and supervisors.
 - Salary increases and compression increases for:
 - DGS Division of Consolidated Laboratory Services, DGS State Mail Services staff, DVS Appeals Attorneys, VDACS Veterinary Staff and Environmental Specialists

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, 2022 base salary adjustment?

All classified and other salaried employees, except elected officials, who were employed in salaried positions as of April 10, 2022, 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 5% base salary adjustment effective July 10, 2022, except those employees who will be receiving a targeted salary increase at or above 7.5 percent in fiscal year 2023. These employees are eligible to receive a 2.5 percent increase.

2. Who is NOT subject to the July 10, 2022 base salary adjustment?

Employees who were hired or rehired after April 10, 2022 and employees who received a rating of “Below Contributor” on their last performance evaluation or more recent interim evaluation.

3. Why was April 10, 2022 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, 2022 to July 10, 2022, provides a reasonable period for an agency to assess the probationary progress of a new employee.

4. Who is eligible for the targeted increase for Department of Behavioral Health and Developmental Services Direct Care Staff?

Employees in positions designated for direct care. These roles include:

- *Direct Care Associates I, II, and III*
- *LPN*
- *RN I,*
- *RNII/Nurse Practitioner I/Physician Assistant*
- *RNIII/Nurse Practitioner II*
- *RN Manager I and II*
- *Security Officer II, III, IV*
- *Security Manager I, and II.*

DBHDS Agency HR will provide guidance on eligibility and process for the targeted increases to fifty percent of benchmark for these roles.

5. Who is eligible for the targeted increase for Correctional Officers at the Department Of Corrections?

DOC Agency HR will provide guidance on eligibility and process for the targeted increase for starting pay and the additional increase based on rank and years of service.

6. Who is eligible for the targeted increase for Sworn Officers at Virginia State Police?

VSP Agency HR will provide guidance on eligibility and process for the targeted increase for starting pay and the additional increase based on rank and years of service.

7. Will employee performance ratings affect eligibility for the July 10, 2022 salary adjustments?

Yes. The July 10, 2022 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.

8. Can written notices under the Standards of Conduct policy be used to deny a July 10, 2022 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 file upload deadlines. **Agency management is responsible for assuring that all agency employees who receive the July 10, 2022 salary adjustment are performing at the contributor level or above.***

9. How should agencies treat employees whose performance has changed significantly since their 2021 evaluation so that their eligibility for the July 10, 2022 salary increases cannot reasonably be based on that evaluation?

For both PMIS and Cardinal HCM agencies, please refer to <https://web1.dhrm.virginia.gov/itech/> and the Portal Message dated June 27, 2022 for comprehensive instructions for notifying 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.

10. Are employees whose positions are funded entirely by federal grants or other special funding sources subject to the July 10, 2022 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.

11. Are wage employees eligible for the salary adjustment?

Yes. The base rates of pay for wage employees may be adjusted by up to 5% no earlier than July 10, 2022. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.

For PMIS agencies only, 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, 2022. Contact iHelp@dhrm.virginia.gov for further information on possible keying support for updating wage employee salaries.

Agencies using Cardinal HCM should either enter these increases online using an Action of Pay Rate Change (PAY) and a Reason of FY23 Statewide Increase (SLI), or may provide a Job Data Mass Upload File. Refer to the [Performing a Mass Upload Job Aid](#) for additional guidance. Cardinal HCM interfacing agencies may make salary adjustments in their system and include on the HR003 Employee Data Upload Interface file.

12. Will the Minimums and Maximums of the Statewide and Expanded NOVA Pay Band Ranges be adjusted on July 10, 2022?

Yes. Effective July 10, 2022 DHRM will increase the minimums and maximums of the state classified salary plans (Statewide and NOVA) by five percent. No salary increase shall be granted to any employee as a result of this action.

13. Will employees whose salaries are at or near the maximum of their pay bands receive the July 10, 2022 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.

14. Will employees whose salaries are frozen above the maximum of their current pay bands receive the July 10, 2022 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.

15. For employees separating effective July 10, 2022 will the July 10, 2022 salary adjustments apply to their leave payments or other benefits?

No. The last day worked for an employee separating effective July 10, 2022, is July 9, 2022, therefore, the employee is not employed on July 10, 2022, and is not eligible for the salary increases.

Effect on Employees' Compensation

16. How will this change affect "take-home pay"?

*Each employee's situation is somewhat unique, depending on their salary and the deductions that are taken from their 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.*

17. When will employees see the changes in their paychecks?

For salaried employees, the July 10, 2022, salary adjustments will first appear in the August 1, 2022, paycheck.

18. Can all or part of the July 10, 2022 salary adjustment 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 <https://www.varetire.org/> for instructions.

19. How will the July 10, 2022 salary adjustment affect an employee's 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 with September 2022 that are included in an employee's Average Final Compensation (AFC) will increase the employee's retirement benefit accordingly.

20. Will the July 10, 2022 salary adjustment affect 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 their individual situation. It will also affect the rate used in calculating payments for accrued leave hours and will increase state life insurance benefits which are based on gross salary.

Calculating the Salary Adjustments

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

If PMIS or Cardinal HCM indicates that an employee is employed 100% (40 hours per week for 12 months), PMIS or Cardinal HCM 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 and Cardinal HCM.

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

PMIS and Cardinal HCM records for affected employees will automatically reflect the appropriate salary adjustment to base state salary effective July 10, 2022.

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

No. Special rate differentials, which are entered into PMIS and Cardinal HCM 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 and Cardinal HCM as annual salary amounts, must be adjusted by employees' agencies if appropriate.

Agencies using PMIS, 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.

Agencies using Cardinal HCM should either enter these increases online using an Action of Pay Rate Change (PAY) and a Reason of FY23 Statewide Increase (SLI), or may provide a Job Data Mass Upload File. Refer to the [Performing a Mass Upload Job Aid](#) for additional guidance. Cardinal HCM interfacing agencies may make salary adjustments in their system and include on the HR003 Employee Data Upload Interface file.

Agencies are to wait until after salary adjustments are made to the State Rates before manually adjusting non-state and special rates in Cardinal HCM.

24. 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, 2022. Affected state agencies will need to process any adjustments to non-state supplements individually.

25. 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, 2022.

Temporary pay must be adjusted by employees’ agencies if appropriate. Agencies using PMIS, 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.

Cardinal HCM agencies may enter these changes online or may use the Additional Pay Mass Upload to make adjustments to temporary pay. Refer to the [Performing a Mass Upload Job Aid](#) for additional guidance. Cardinal HCM interfacing agencies may use the HR003 Employee Data Upload file to interface Temporary Pay changes.

Processing the Increases

26. What sequence will be followed if there are other employee status changes effective July 10, 2022?

*Actions such as promotions that are keyed into PMIS or Cardinal HCM prior to July 10, 2022 to become effective on that date will be processed **before** any salary adjustments are applied. Such actions should be keyed by the close of business on July 9, 2022. **Promotions or other actions that change employees' salaries after July 10, 2022 should not be keyed until after the salary adjustments have been applied.***

27. 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 July 10, 2022.*
- 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 or expected return date in Cardinal HCM as of July 10. Agencies should review and update these employees' records on an individual basis and process their salary increases when their expected return dates have been extended or Return-to-Work transactions have been entered.*

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

28. What PMIS or Cardinal 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, 2022 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 28 for more details on situations where 50 or more employees need to be updated.

Agencies using Cardinal HCM should either enter these increases online using an Action of Pay Rate Change (PAY) and a Reason of FY23 Statewide Increase (SLI), or may provide a Job Data Mass Upload File. Refer to the [Performing a Mass Upload Job Aid](#) for additional guidance. Cardinal HCM interfacing agencies may make salary adjustments in their system and include on the HR003 Employee Data Upload Interface file.

29. How will the July 10, 2022 salary adjustment be processed for classified employees who are indicated in PMIS and Cardinal HCM as working less than 12 months each year?

The salaries of employees in this group will not be processed automatically effective July 10, 2022 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, 2022 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, 2022 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, 2022 salary adjustment to their pay for the work performed beginning July 10, 2022 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.*

In Cardinal HCM, agencies who have employees participating in these types of 10 and 11-month contracts may make adjustments. Agencies using Cardinal HCM should either enter these increases online using an Action of Pay Rate Change (PAY) and a Reason of FY23 Statewide Increase (SLI), or may provide a Job Data Mass Upload File. Refer to the [Performing a Mass Upload Job Aid](#) for additional guidance. Cardinal HCM interfacing agencies may make salary adjustments in their system and include on the HR003 Employee Data Upload Interface file.

30. What process should agencies use to update the salaries of classified 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?

For PMIS agencies, 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

