



COMMONWEALTH of VIRGINIA

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May 4, 2015

MEMORANDUM

TO: Agency Human Resource Directors

FROM: Rue Collins White
Director, Agency Human Resource Services

SUBJECT: Fiscal Year 2016 Authorizations and Compensation Activities

Please be advised of the following information concerning compensation activities for fiscal year 2016 (July 1, 2015, through June 30, 2016). Implementation guidance for 2015 performance evaluations will be distributed at a later date.

Because the fiscal year 2016 employee compensation actions include multiple salary increases with varied and complex criteria, each increase component is being addressed separately below.

The following compensation changes authorized in Chapter 665, 2015 Acts of Assembly to become effective on August 10, 2015, excluding the \$1,000 increase for Security Officers I and III, are contingent upon there being no downward adjustment in the Commonwealth's revenue forecast (Item 467, paragraph O) and on employees' performing at the Contributor level or higher (Item 467 paragraph P):

1) August 10, 2015, Employee Salary Increases

A. Two percent base salary increase

Item 467, paragraph P of Chapter 665, 2015 Acts of Assembly, authorizes a two percent salary increase effective August 10, 2015, for state employees (full- and part-time classified and other salaried employees [appointed, at-will, and faculty employees]), contingent upon there being no downward adjustment in the revenue forecast. All employees in salaried positions as of May 10, 2015, are eligible for the 2% salary increase, subject to the performance criteria outlined under the "Employee Performance" bullet below.

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B. Compression adjustment

In addition, Item 467, paragraph Q, of Chapter 665, 2015 Acts of Assembly, authorizes the employees listed in "A" above (excluding faculty and other employees of public institutions of higher education not subject to the Virginia Personnel Act) who have completed five years or more of continuous state service to receive a salary compression compensation adjustment, contingent upon there being no downward adjustment in the revenue forecast. Eligible employees will receive a \$65 salary increase for each full year of continuous service, up to a maximum of thirty years, effective August 10, 2015. Sworn employees of the Department of State Police who have completed three or more years of continuous state service will receive an \$80 salary increase (rather than \$65) for each full year of continuous service, up to a maximum of thirty years, effective August 10, 2015. Employees' state-begin dates will provide the basis for calculating years of completed service for determining whether employees may be eligible for the salary compression compensation adjustment. Eligibility is also subject to the performance criteria outlined under the "Employee Performance" bullet below.

C. Two percent salary increase for employees in certain high-turnover roles

Pursuant to the [recommendations](#) of the state employee compensation workgroup established in Item 255, paragraph B, of Chapter 806, 2013 Acts of Assembly, Item 467, paragraph T, of Chapter 665, 2015 Acts of Assembly, states that the base salaries of employees in the following high-turnover roles will be increased by two percent effective August 10, 2015, in addition to the pay actions described in paragraphs 1) A. and B. above, if eligible:

- Law Enforcement Officer I
- Direct Service Associate I
- Direct Service Associate II
- Direct Service Associate III
- Housekeeping and/or Apparel Worker I
- Probation Officer Assistant
- Emergency Coordinator I
- Emergency Coordinator II
- Registered Nurse I
- Registered Nurse II/Nurse Practitioner I/Physician's Assistant
- Licensed Practical Nurse
- Therapy Assistant/Therapist I
- Therapist II
- Compliance/Safety Officer II

All employees in these roles who were employed in salaried positions as of May 10, 2015, are eligible for this additional 2% salary increase, subject to the performance criteria outlined under the "Employee Performance" bullet below.

D. \$1,000 increase for employees in the roles Security Officer I and Security Officer III

Pursuant to Item 384, paragraph Q, the salaries of employees occupying salaried positions in the roles Security Officer I and Security Officer III as of August 10, 2015, will be increased by \$1,000 effective August 10, 2015. This increase is not subject to additional criteria.

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The attached FAQ document provides additional information. Both documents will be posted on our [web site](#). Key points are noted below.

- Employee Performance:

Pursuant to Item 467, paragraph Q.4, employees must have received a rating of at least “Contributor” on their latest performance evaluation in order to be eligible for the fiscal year 2016 salary increases. The eligibility of most employees will be determined by performance evaluations that were conducted in the fall of 2014 for the last performance cycle (October 25, 2013 through October 24, 2014). For employees rated in 2014, ratings in the 2014 IPP database will provide the basis for this determination. Employees who were rated “Contributor” or “Extraordinary Contributor” are eligible, while those rated “Below Contributor” are not. For employees whose performance has changed significantly since the 2014 evaluation so that eligibility for the salary increases cannot reasonably be based on that evaluation, agencies should follow the steps below:

1. Create a spreadsheet named “INCREASE-MANUAL-BLOCK” or “INCREASE-MANUAL-UNBLOCK” containing agency number, position number, and employee identification number. Please retain all leading zeros.
2. Upload the spreadsheet to HuRMan using the secure file upload utility or e-mail it to [Nancy Tobin](#) by August 3, 2015.
3. If an update to a previously submitted file is necessary, please resubmit the entire file. DHRM will load the last file received by August 3, 2015.

Active employees who were not rated in 2014 (those with blank ratings, “L” ratings, and those hired since the 2014 IPP database was created) but meet other criteria may receive the fiscal year 2016 increases when agencies submit a spreadsheet named “INCREASE-MANUAL-CERTIFY” using the format described above.

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who are certified or 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. The agency should ensure that the documentation has been communicated to the affected employees.

Non-classified employees not in the 2014 IPP database but who meet other eligibility criteria for the fiscal year salary increases will be assumed eligible unless agencies submit an “INCREASE-MANUAL-BLOCK” spreadsheet as described above.

Preliminary review files with names beginning with “INCREASE” will be placed in agencies’ repository folders in HuRMan beginning July 17, 2015. **It is essential that agencies carefully review these files.** If changes are necessary to exclude an employee or include an employee previously excluded, agencies should submit “INCREASE-MANUAL-BLOCK” or “INCREASE-MANUAL-UNBLOCK” spreadsheets as described above.

- Faculty:

The Act authorizes state institutions of higher education to provide a variable salary adjustment based on performance and other employment-related factors to faculty, as long as the increases do

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not exceed the two percent increase on average. In addition, institutions of higher education may reallocate funds from educational and general program funds to provide an additional 2.5% average faculty salary increase for teaching and research faculty. Institutions may provide this increase consistent with faculty pay plans. Faculty will be assumed eligible for the two percent increase unless agencies submit an "INCREASE-MANUAL-BLOCK" spreadsheet as described above. Faculty, and other employees of public institutions of higher education not subject to the Virginia Personnel Act, are not included in the salary compression compensation adjustment.

- Provisions for the Salary Compression Compensation Adjustment:

Employees who have completed five years of continuous state service as of August 10, 2015, (have state begin dates of August 10, 2010, or earlier) will receive the compression adjustment of \$65 for each full year of service, up to a maximum of thirty years, provided that they meet the performance criteria as described above.

Sworn employees of the Department of State Police who have completed three years of continuous state service as of August 10, 2015, (have state begin dates of August 10, 2012, or earlier) will receive the compression adjustment of \$80 (rather than \$65) for each full year of service, up to a maximum of thirty years, provided that they meet the performance criteria as described above.

The Act specifies that the compression adjustment be added to employees' salaries **after** the 2% base salary increase described in paragraph 1) A. above is applied.

Service will be computed based on employees' continuous salaried service as indicated by their state begin dates. Continuous salaried service in agencies in other branches of state government, with no break in service, does count, but such service may not be accurately reflected in employees' state begin dates in PMIS. **Therefore, agencies are encouraged to review state begin dates with their employees prior to August 10 to ensure that they are accurate.**

The amount of the yearly increase will be prorated for part-time and quasi-full-time salaried employees who are working less than twelve months per year or less than 100% full time (40 hours per week or equivalent) on August 10, 2015. For example, a qualifying employee who works 30 hours per week (75%) for 12 months per year will receive an increase of \$48.75 per full year of service. The lengths of service for part-time employees will be based on their state begin dates without any adjustment for the percent of full time.

- Application of 2% increase for high-turnover roles and \$1,000 increase for Security Officers I and III:

The 2% increase for high-turnover roles listed in Item 467, paragraph T, and the \$1,000 increase for Security Officers I and III authorized in Item 384, paragraph Q, will be applied to the salaries of eligible employees after the general 2% base salary increase and the compression adjustment, if applicable.

- Wage Employees:

The base rates of pay for wage employees may be increased by up to two percent no earlier than August 10, 2015. The cost of such increases for wage employees shall be borne by existing funds

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appropriated to each agency. Agencies using the PMIS Wage3 system should enter transaction PSW090 with reason code 215 to increase the hourly rates of wage employees.

- Elected Officials:

Elected officials are not covered by the 2% base salary increase or the salary compression compensation adjustment effective August 10, 2015.

- Less than Twelve-month Employees:

DHRM will not automatically process increases for faculty or other employees designated as less than 12 months in PMIS. Agencies will need to key salary increases into PMIS for these excluded employees or provide files for batch-loading the increases as they become effective on and/or after August 10, 2015. If an employee in this group is working on August 10, 2015, then the salary increase should begin effective August 10, 2015. More information will be provided by DOA to CIPPS agencies that have employees in this category. If the employee is not working but continues to be paid for the work period that has been completed (e.g., works 10 months but is paid over 12 months), the salary increase and member contributions should be effective when the employee returns to work and/or a new contract period for the employee begins.

2) Classified Salary Structure

The minimum for each salary band in the classified salary structure is being increased by two percent effective August 10, 2015, pursuant to Item 467, paragraph P.3. The maximum for each salary band is being increased by two percent plus an additional \$2,400, also on August 10, 2015, for purposes of implementing the salary compression compensation adjustment. No salary increase shall be granted to any employee as a result of these actions. The new salary bands are attached to this memorandum.

Salary ranges for unclassified roles (role codes over 90000) will also be adjusted by two percent at the minimum and two percent plus an additional \$2,400 at the maximum effective August 10, 2015. **Agencies who do not want their unclassified ranges adjusted automatically should notify [iHelp](#) no later than August 3, 2015.**

3) Differential Authorizations

P-14 authorizations for differentials that are scheduled to end on June 30, 2015, are extended through June 30, 2016. You should continue to use the P-14 form to authorize any new differential payments. The form is on the DHRM website, <http://www.dhrm.virginia.gov/forms.html>. 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 separate forms 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.

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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 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 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.

5) Wage Authorizations (WE-14)

Forms WE-14 for wage employment are 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. We 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 your assigned human resource management consultant 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. Since July 1, 2011, agencies have been able to enter transaction PSP111 to manage sub-bands for individual positions or groups of positions.

AHRS will identify alternate bands and sub-bands by positions' having Alternate Band Minimum or Alternate Band Maximum values greater than zero. We will adjust ranges based on Alternate Band Minimum and Alternate Band Maximum values combined with Agency and Role values. We will then provide the new Alternate Band Minimum and Alternate Band Maximum values to ITech.

If the Alternate Band Minimum and Alternate Band Maximum are both equal to the Role Band Minimum and Role Band Maximum, respectively, we will adjust the Alternate Band Minimum by 2% and the Alternate Band Maximum by (2%+2400). Ranges will be considered Alternate Bands (rather than Sub-Bands) if their Alternate Band Minimum is equal or greater than the Role Band Minimum and their Alternate Band Maximum is greater than the Role Band Maximum. For these, the Alternate Band Minimum will be adjusted 2% and the Alternate Band Maximum will be adjusted (2%+2400).

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If the Alternate Band Maximum equals the Role Band Maximum and the Alternate Band Minimum is greater than the Role Band Minimum, it will be considered a Sub-Band. For these, we will adjust the Alternate Band Maximum by (2%+2400). The Alternate Band Minimum will not be adjusted without an agency request. If the Alternate Band Maximum is less than the Role Band Maximum, it will be treated as a Sub-Band and we will not adjust the Alternate Band Minimum or the Alternate Band Maximum without an agency request.

We will work with agencies to determine the adjustments for the sub-bands.

8) Language Pursuant to Workforce Transition Act Retirement

Chapter 806, 2013 Acts of Assembly, requires a review by the Directors of the Department of Planning and Budget and Department of Human Resource Management prior to authorizing the Virginia Retirement System to roll the cost of service credit received under the Workforce Transition Act into the contribution rates. This requirement continues for fiscal year 2016 in Chapter 665, 2015 Acts of Assembly, Item 467, paragraph L, which states:

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 of 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.]

9) 2015 Performance Evaluations

Performance evaluations for the current performance cycle (October 25, 2014, through October 24, 2015) will not provide the basis for the fiscal year 2016 salary increases, but they will need to be completed for classified employees as required by Policy 1.40. As previously noted, implementation guidance will be distributed at a later date.

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10) 2015 Performance-based Pay Increases

The General Assembly did not approve funding for additional performance increases effective November 25, 2015. Therefore, agencies, except for those excluded in Chapter 665, 2015 Acts of Assembly, Item 467, paragraphs P.5. and P.7., may not provide salary increases at that time based on performance during the October 25, 2014, through October 24, 2015, performance cycle.

The base rates of pay for wage employees may not be increased effective November 25, 2015, 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.

Attachments

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

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STATE (SW) PAY BANDS August 10, 2015		
RANGE		
BANDS	MINIMUM	MAXIMUM
1	\$ 15,992	\$ 38,820
2	\$ 20,894	\$ 49,370
3	\$ 24,969	\$ 58,146
4	\$ 32,619	\$ 74,617
5	\$ 42,614	\$ 96,134
6	\$ 55,672	\$ 124,244
7	\$ 72,731	\$ 160,972
8	\$ 95,013	\$ 208,950
9	\$ 124,128	MARKET

NOVA (FP) PAY BANDS August 10, 2015		
RANGE		
BANDS	MINIMUM	MAXIMUM
1	\$ 15,992	\$ 50,466
2	\$ 20,894	\$ 64,181
3	\$ 24,969	\$ 75,590
4	\$ 32,619	\$ 97,002
5	\$ 42,614	\$ 124,974
6	\$ 55,672	\$ 161,517
7	\$ 72,731	\$ 193,167
8	\$ 95,013	\$ 250,740
9	\$ 124,128	MARKET