



Office Memorandum

Date: December 19, 2014

To: HR Directors & Designees/SEMA4 Users

From: Ann O'Brien, Assistant Commissioner, MMB

Subject: Performance Based Salary Increases: Commissioner's Plan, Medical Specialists' Addendum to the Commissioner's Plan, and Managerial Plan

This memo provides details and instructions for processing performance-based salary increases effective **December 31, 2014** for employees covered by:

- Commissioner's Plan
- Medical Specialists' Addendum to the Commissioner's Plan
- Managerial Plan

Please read this memo in its entirety prior to entering any transactions, as it provides a comprehensive set of instructions, including critical timelines.

These plans include provisions allowing employees to receive performance-based salary increases effective **12/31/2014** of up to 3.5%. Agencies are responsible for evaluating eligibility and subsequently updating the rates of pay accordingly. An employee may only be granted a salary increase if he/she has met or exceeded performance standards or objectives. In addition, employees must be in a position covered by these plans on the preceding day. **Employees whose current rate of pay is at or above the range maximum for their job class are not eligible for these performance-based salary increases.**

Enter these performance-based increases no later than **January 9, 2015**, in order for the pay increases to be reflected on the January 23, 2015 paycheck.

Note: During the week of January 5, agencies will receive separate instructions and a list of employees in work out of class or trainee assignments.

Commissioner's Plan Performance-Based Salary Increase Effective 12/31/2014

For eligible employees, agencies must add a row with an effective date of **12/31/2014** and action/reason **Pay Rate Change / PRF** (Increase Based on Performance). Any rows with effective dates greater than 12/31/2014 must be updated accordingly.

Managerial Plan and Medical Specialists' Addendum to the Commissioner's Plan Performance-Based Salary Increase Effective 12/31/2014

Salary increases under the Managerial Plan and Medical Specialists' Addendum to the Commissioner's Plan may be in the form of an adjustment to the base salary rate, a lump sum, or a combination of both, but must not result in a base salary rate above the range maximum for the employee's job class.

For eligible employees, agencies must add a row with an effective date of **12/31/2014** and action/reason **Pay Rate Change / PRF** (Increase Based on Performance). Include a comment to indicate that this row is for the performance-based salary increase. Any rows with effective dates greater than 12/31/2014 must be updated accordingly.

Note: Salary increases are calculated using the employee's hourly rate not the annual rate.

If the salary increase includes a lump sum payment, coordinate with your agency payroll staff. Mass Time Entry earn code INS – Contract/Plan Lump Sum should be used when processing payroll for the PPE January 13, 2015. If you have any questions regarding processing lump sum payments in SEMA4, contact Statewide Payroll Services.

The lump sum option is not available for Commissioner's Plan employees.

Agency heads listed in Minn. Stat. 15A.0815 (and some others) are not covered under the Managerial Plan for salary purposes, and are therefore not entitled to salary increases under its terms. Please contact MMB if you have a question about salary for your agency head.

Questions / Timeline

If you have any questions, please feel free to contact your SEMA4 HR Services Specialist:

Susan Johnson @ Susan.S.Johnson@state.mn.us or 651/259-3765

Mary O'Connor at Mary.OConnor@state.mn.us or 651/259-3633

Bill Ziegler at William.K.Ziegler@state.mn.us or 651/259-3761

Please refer to the timeline illustration below.

December 2014 / January 2015	
By Close of Business January 9	Agencies enter performance-based increases (Pay Rate Change/PRF) effective 12/31/2014 for eligible employees covered by Commissioner’s Plan, Medical Specialists’ Addendum, and Managerial Plan.
January 5-9	Agencies enter rate increases for work out of class and trainee assignments. Further instructions will be provided.
January 12-15	Agency payroll staff enter any applicable lump sum payments for employees covered by the Managerial Plan or the Medical Specialists’ Addendum to the Commissioner’s Plan.
January 23	Paycheck includes performance-based increase for Commissioner’s Plan, Medical Specialists, and Managerial Plan.