

**Date:** September 31, 2016  
**To:** HR Directors/Designees/SEMA4 HR Users  
**From:** Edwin Hudson, Deputy Commissioner *EKH*  
**Subject:** Salary Adjustments for the 2015 - 2017 biennium – Year 1 and Year 2:  
Minnesota Government Engineering Council (MGEC)

Minnesota Management and Budget (MMB) will process a mass salary update to implement the Year 1 and Year 2 salary provisions of the 2015 - 2017 Minnesota Government Engineering Council (MGEC) contract over the weekend of September 9, 2016.

For both years, MMB will apply a general wage adjustment to the job records of employees covered by the MGEC contract and for “insufficient work time employees” in related job classes. This general wage adjustment provides a 2.5% increase to all MGEC covered employees except for those at the maximum step in ranges 9J, 11K, and 14K. Those employees will receive a 3.5% general wage adjustment.

This memo provides instructions and critical timelines for agency Human Resources offices. Statewide Payroll Services will provide a separate memo to agency staff with instructions regarding retroactive pay processing.

### **Year 1 General Salary Adjustment, Effective July 1, 2015**

MMB will insert a SEMA4 job row with an effective date of 7/1/2015 and Pay Rate Change / GEN as the action / reason. MMB will update rows with effective dates greater than 7/1/2015. The new rates of pay will display in SEMA4 on September 12, 2016.

#### **Pay Rates Over the Maximum:**

Employees with a rate code of OFFOMD or OFFOMT:

- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2015, but falls within the range on 7/1/2015, will be placed at the new range maximum step for the job class and the rate code will be changed to ONSTEP.
- Employees whose rate of pay exceeded the maximum for their job class on 6/30/2015, and continues to exceed the maximum on 7/1/2015, will not receive an update.

Employees with a rate code of OFFOMR will receive the full increase.

### **Year 2 General Salary Adjustment, Effective July 1, 2016**

MMB will insert a SEMA4 job row with an effective date of 7/1/2016 and Pay Rate Change / GEN as the action / reason. MMB will update rows with effective dates greater than 7/1/2016. The new rates of pay will display in SEMA4 on September 12, 2016.

### **Pay Rates Over the Maximum:**

Employees with a rate code of OFFOMD, OFFOMT, or OFFOMR will receive the full increase.

### **Further Information**

On September 12, 2016, report HP7041, *Mass Update Before and After Values for Salary*, will be available in DocumentDirect. This report reflects employees' new rates of pay. Please review this report for accuracy.

### **Work-Out-of-Class and Trainee Pay Rates**

The mass update will increase employee permanent rates of pay only. Agencies must calculate and enter the rates of pay for work-out-of-class and trainee assignments.

MMB will send agencies separate instructions and a list of employees on work-out-of-class assignments the week of September 12, 2016.

Agencies must also update the rates of pay for trainees. MMB will send agencies separate instructions and a list of employees in training assignments the week of September 12, 2016.

### **New Appointments**

Employees with new appointments effective after 7/1/2015 will not receive a 7/1/2015 PAY / GEN row. However, the appointment row, and any subsequent rows, will be updated to reflect the increase.

Employees with new appointments effective after 7/1/2016 will not receive a 7/1/2016 PAY / GEN row. However, the appointment row, and any subsequent rows, will be updated to reflect the increase.

### **Separated Employees**

- Employees with an Inactive HR status on 9/9/2016 will not be included in the general adjustment mass update.
- Employees who have a future-dated separation effective after September 9, 2016 will receive the year 1 and year 2 general adjustments. However, the rate of pay on the separation row will not be updated. Agencies must manually update the separation row with the new rate of pay.

Employees who separated from state service between 7/1/2015 and 9/9/2016 must make a written request to their HR office in order to receive the general adjustment(s). They must request the

increase in the same fiscal year that the general adjustment was approved and processed (no later than the close of business 6/30/2017). Agencies are responsible for updating the job records with the 7/1/2015 and/or 7/1/2016 general adjustment row and any subsequent rows. Agencies are also responsible for calculating retroactive pay, and recalculating any vacation payoffs and severance payments previously made to the employee.

**Questions?**

If you have any questions regarding the implementation of these salary adjustments, please contact your SEMA4 HR Services Specialist:

- Judi Kaper at 651-259-3649 or [Judi.Kaper@state.mn.us](mailto:Judi.Kaper@state.mn.us)
- Mary O’Connor at 651-259-3633 or [Mary.OConnor@state.mn.us](mailto:Mary.OConnor@state.mn.us)
- Bill Ziegler at 651-259-3761 or [William.K.Ziegler@state.mn.us](mailto:William.K.Ziegler@state.mn.us)

**SEMA4 Salary Adjustment Timeline – Year 1 and Year 2**

09/09/2016	Mass salary update, effective 7/1/2015 and 7/1/2016, for employees covered by MGEC
09/12/2016 – 09/16/2016	Agencies review report HP7041, <i>Mass Update Before and After Values for Salary</i> in DocumentDirect.
09/12/2016 – 09/16/2016	Agencies enter rate increases for work-out-of-class and trainee assignments. Further instructions regarding work-out-of-class and trainee assignments will be provided.
09/30/2016	Paycheck reflects the general adjustment for employees covered by MGEC.