

**WISCONSIN DEPARTMENT OF TOURISM AND ATTACHED BOARDS**  
**DISCRETIONARY MERIT COMPENSATION CRITERIA**

**Background:**

Discretionary Merit Compensation (DMC) is provided for in Section J – Provisions for Administering Discretionary Merit Compensation of the Compensation Plan. DMC allow the appointing authority the discretion to provide employees economic recognition or to address pay equity or retention needs. DMC may be granted at any time during the fiscal year.

**Employee Eligibility Criteria:**

All employees who are in pay status in positions covered by Section J are eligible to be considered for DMC except the following:

- Employees whose job performance in the previous fiscal year was rated below satisfactory.
- Supervisors who did not complete formal performance evaluations on all subordinate employees for whom performance evaluations are required within the past 12 months.
- Any employee paid at or above the applicable pay range maximum may not receive a base-building DMC.

**Pay Increase Amounts:**

An employee may receive more than one DMC during the fiscal year, subject to the stated limitations except under exceptional circumstances. Exceptional circumstances requests must be submitted to the OSER Director.

**Classified Employees**

Classified employees fall into two categories: Broadband and Non-Broadband.

**Broadband Employees**

- DMC may be granted to eligible broadband employees in any amount up to 4 within range pay steps (WRPS), subject to the maximum of the pay range. DMC may be granted as a base pay adjustment, in a lump sum payment, or in combination at the discretion of the appointing authority. The DMC 4 WRPS limit, per fiscal year, per employee includes DMC granted by Tourism or by multiple agencies.

**Non-Broadband Employees**

- Classified employees in positions allocated to non-broadband pay ranges may only receive DMC in any amount up to 4 WRPS, subject to the maximum of the pay range, **for merit only** in lump sum payments.

## Unclassified Employees

- Eligible employees in unclassified positions may be granted a DMC in any amount up to **2 WRPS for merit only**, subject to the maximum of the pay range. Except as noted below, DMC may be granted as a base pay adjustment, a lump sum payment, or in combination at the discretion of the appointing authority. Eligible unclassified employees who may not receive lump sum payments include the Department Secretary, Deputy Secretary and the Arts Board Executive Secretary.

### Criteria for DMC Consideration:

The appointing authority has the sole discretion to grant a DMC to eligible employees. The potential criteria for granting a DMC are different for broadband employees from that for non-broadband and unclassified. DMC for broadband employees may be granted based on all three of the following, non-exclusive criteria while DMC for non-broadband and unclassified employees are limited to Merit only:

- **Merit** – Employee recognition for superior or meritorious performance.  
Merit criteria/factors which should be considered include:
  - Length or frequency of the outstanding performance;
  - Overall significance or importance of the employee's work products to the organization;
  - Regularity with which the outstanding performance or unique contribution is demonstrated (e.g., an employee who routinely demonstrates exceptional performance and performs special projects on an ongoing basis, as compared to an employee who completes a one-time special project).Merit-related criteria/factors which may be considered include:
  - Employee has new permanent job duties and/or responsibilities of growing importance to the agency that have been either newly assigned or were an evolution of their originally assigned functions. The new duties are of greater scope, impact, and/or complexity compared to the previous functions; or
  - Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position.
- **Pay Equity** – The employee's salary has been determined to be lower than that of other state employees performing the same or similar duties at the same level of proficiency and who have comparable years of relevant service; or there is significant pay compression between the employee and their immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers
- **Retention** – The employee possesses special skills that are in high demand in other organizations or loss of the employee's knowledge and experience would be a detriment

to the agency, therefore requiring a pay adjustment be made in order to retain the employee.

**DMC Recommendations:**

DMC may be recommended by the supervisor and must include detailed justification describing the reason(s) for the award, the type of award (base building or lump sum) of award and the proposed amount of the award. Employees may self-nominate to their supervisor no more than once per fiscal year.

**Approval and Processing of DMC:**

The Secretary of the Department of Tourism/designee (Secretary/designee) will have sole discretion to approve or deny awards of DMC. The written request and justification must be submitted to the Secretary/designee for review on the Justification For Discretionary Merit Compensation (DMC) Award Form (see attachment). The Secretary/designee will review the submission and determine whether to approve the DMC or not and determine whether the rate of award is appropriate. The Secretary/designee will consult with the Department's Accountant/Budget Analyst before approving the DMC to ensure that sufficient funds are available. Upon approval by the Secretary/designee, the DMC paperwork will be sent to OSER as **all DMC will be approved by OSER prior to being granted**. The effective date of an adjustment will be the beginning of the first pay period following effective receipt of the DMC by the agency. No DMC may be retroactive.



**CRITERIA (Check all that apply):**

- Merit
- Employee received performance evaluation within last 12 months
- Employee is a supervisor and has completed required performance evaluations for all subordinates
  
- Pay Equity
- Employee is a supervisor and has completed required performance evaluations for all subordinates
  
- Retention
- Employee is a supervisor and has completed required performance evaluations for all subordinates

**JUSTIFICATION NARRATIVE (Provide specifics and supporting documentation below):**

## INSTRUCTIONS FOR DMC JUSTIFICATION FORM COMPLETION

All areas of the form *must* be completed by the agency; incomplete forms will be returned to the sending agency for completion and resubmittal. Below is the list of boxes contained on this DMC form with instructions for completion.

### Page 1

1. **Agency** – Agency name or agency acronym (including secondary level or campus)
2. **Employee Name** – Employee last name, first name, and middle initial
3. **Classification Title** – Employees full classification title (not working title); position title for unclassified employees
4. **Pay Schedule & Range** - Numerical pay schedule and range
5. **Increase Amount** – Increase amount to be provided as a lump sum payment or the base increase amount
6. **Number of WRPS or Equivalent** - Calculate the number of WRPS equivalent for each DMC (base and or lump sum) awarded. For lump sum awards, calculate number of WRPS by dividing the award by 2088, then divide that amount by the applicable WRPS amount from the pay schedule (or 3% of minimum for pay ranges not having a listed WRPS)
7. **Old Base Salary** – Employee’s base pay rate prior to the DMC
8. **New Base Salary** - Employee’s base pay rate after the DMC
9. **Funding Sources** - List source of agency funds used to pay for DMC, e.g., GPR, PRO, SEG, etc.
10. **DMC Effective Date** – Date should reflect the “effective date of receipt by agency” as the effective date of DMC
11. **# of Prior WRPS in Same FY** – Show total WRPS of any previous DMC in the same fiscal year
12. **PUA in last 12 months** - Broadbanded employees only, show last date(s) of pay upon appointment, if any
13. **Recommended By; Budget Approval; Division Administrator Approval** - This yellow shaded area may be modified consistent with the agency’s internal approval process included in their DMC policy. **Agency Head Approved/Denied** - Appointing Authority or designee (Deputy or Executive Assistant only): This signature line may not be modified and every DMC recommendation form must include this signature.
14. **OSER Approved/Denied** - OSER completes
15. **Agency Contact Name** – Identify agency staff who will respond to OSER questions about the DMC recommendation and to whom OSER’s review results will be returned.

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16. **Criteria** - (place an X next to applicable criteria) All merit criteria DMC recommendations must show that the employee has had a performance evaluation in the past 12 months, and if the employee is a supervisor, the employee must have completed performance evaluations for all subordinates (check boxes to confirm these statements)
17. **Justification** - Provide specifics and attach any supporting documentation.
18. **Submit the completed and approved form, along with the DMC Request spreadsheet form OSER-DCLR-221 (see Attachment 2), to the OSER DCLR DMC Request mailbox at [OSERDCLRDCLRDMCRequests@wisconsin.gov](mailto:OSERDCLRDCLRDMCRequests@wisconsin.gov).**