

State of Wisconsin
Department of Natural Resources

SUBJECT: Administration of Discretionary Merit Compensation (DMC)

DMC allows the appointing authority discretion any time in the fiscal year, to provide employees base-building or lump sum DMC as recognition for merit, address pay equity issues or for retention purposes. These guidelines apply to all eligible unclassified and classified permanent and project employees in positions assigned to broadbanded pay ranges. Classified employees in positions assigned to non-broadbanded pay ranges are eligible to receive lump sum DMC for merit only.

ELIGIBILITY: All unclassified and classified permanent or project employees in pay status are eligible except the following:

1. Employees whose job performance in the previous fiscal year was rated below "Meets Expectations."
2. Supervisors who did not complete the formal performance evaluation on all subordinate employees for whom performance evaluations are required over the previous twelve month period.
3. Any employees paid at or above the applicable pay range maximum may not receive a base building DMC award.
4. Any classified employee in a non-broadbanded pay range may not receive a base building DMC and any lump sum DMC received shall be for merit only.
5. Employees in classified positions are eligible to receive 4 within range pay steps (WRPS) per fiscal year. Employees in unclassified positions are eligible to receive 2 base-building WRPS per fiscal year, with the exception of the Chief Legal Counsel, Communications Director, or Legislative Advisor, who may receive either a base-building, lump sum, or a combination of DMC awards.

CRITERIA: Compensation depends on performance rating, the employees' salary within pay band, and budget considerations. Monetary increase may be an addition to base salary and/or lump-sum award based on existing pay ranges.

MERIT

Threshold criteria for monetary DMC incentive awards **must** include an approved employee performance evaluation overall rating of at least "Meets Expectations" under the DNR Performance Management System.

1. Performance Management Evaluation

This DMC award may be granted for an employee's overall yearly performance, which for which a monetary award will only be approved if the employee has a current (in the past 12 months), signed performance evaluation on record. This monetary increase may be a base salary and/or lump-sum award based on the employee's pay range.

2. Sustained Superior Performance

This DMC award may be granted for contributions sustained at least six consecutive months.

3. Special Act or Service/Sustained Superior Performance in a Temporary Capacity

This DMC award may be granted to an employee who makes a significant contribution to the agency for a one-time, non-recurring act or service or for performance contribution(s) of a non-recurring nature beyond the satisfactory performance requirements for the employee's official position. Criteria may include strong performance of a temporary assignment of duties in addition to the employee's regular position, or handling of an emergency situation, or performance of unusual duties for limited periods.

4. Suggestion or Invention

This DMC award may be granted to an employee for an improvement which benefits the agency and was submitted in writing by the employee and approved in writing by management.

Limitations: These suggestions or innovations shall not be made for *services and benefits to employees* (e.g., vending machines); *working conditions* (e.g., office decorations); *routine care of buildings and grounds*; *routine safety practices*; *changes as a result of employee complaints and grievances*; or *recommendations to enforce existing rules, regulations or directives*.

RETENTION

The DNR is aware that the employee is actively seeking other employment, or the employee actually *has a job offer in hand* and the resultant loss of the employee's knowledge and experience would be a detriment to the DNR, therefore, requiring a pay adjustment be made in order to retain the employee.

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 his/her immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers.

DMC ADMINISTRATION: DMC recommendations must be submitted on OSER-DCLR-220 to the DNR Bureau of Human Resources specifically describing the reason(s) for granting the award and the recommended award amount. The recommendation(s) must include the signature of the Division Administrator. A Merit Review Committee will be created to provide balance and equity to the merit award process. The Committee will be comprised of 2 Division Administrators and 2 Regional Directors. Committee membership will change every fiscal year, so that all Division Administrator and Regional Directors would serve at least once on a 3 year cycle. The Committee will be facilitated by the HR Director. The Secretary/Deputy Secretary will review and approve, modify or deny DMC requests. The Bureau of Human Resources (BHR) will submit the DMC list and justification forms to the Office of State Employment Relations (OSER) for final approval and communicate decisions to affected Division Administrators and payroll.

The effective date of an adjustment will be the beginning of the first pay period following effective receipt in the Bureau of Human Resources. The Bureau of Human Resources will ensure employee notification of an approved DMC award.

DMC may not be included when calculating pay on reinstatement or restoration, except when returning from a leave of absence granted for service in an unclassified position. This exception is limited to two (2) WPRS per fiscal year.

Amount

DMC for classified broadbanded employees may be granted in any amount up to 4 within pay range steps per fiscal year, subject to the pay band maximum. This award can be a lump sum payment and/or base building. Awards may be applied in any increment amount. Classified employees not assigned to broadbanded are limited to lump sum DMC only.

Unclassified employees are limited to a total of 2 within range pay steps per fiscal year subject to the pay band maximum, and may be received for merit only. Unclassified employees may receive base building DMC only, except the unclassified positions of Chief Legal Counsel, Communications Director and Legislative Advisor, which may receive base building and/or lump sum DMC.

Under exceptional circumstances, an appointing authority may submit a comprehensive written justification request to the DNR Bureau of Human Resources for approval by the OSER Director to exceed the fiscal year WPRS limits.