

**Background:**

The State of Wisconsin Compensation Plan (Section J) gives the Executive Director of the National and Community Service Board (NCSB) the authority to grant timely Discretionary Merit Compensation (DMC) adjustments throughout the year to permanent and project employees. DMC allows the agency to provide economic recognition for merit, including significant and permanent changes in job duties, increased competencies, or to address pay equity issues or retention needs.

**Eligibility:**

All employees in pay status in covered positions as defined by Section J of the compensation plan are eligible with the following exceptions:

- Employees whose job performance in the previous fiscal year was rated below satisfactory.
- Supervisor who did not complete formal performance evaluations on all assigned employees as required.
- Any employee paid at or above the classification pay range maximum is not eligible for a base building DMC.

**Amounts:**

All DMC adjustments are subject to pay range maximums and may not exceed a value of four within range pay steps for classified employees, per employee, per fiscal year. Classified employees allocated to a classification assigned to broadband pay range are eligible for a lump sum and/or base building DMC based on merit, equity and/or retention purposes. Classified employees allocated to a classification in a non-broadband pay range are eligible for DMC based on Merit only.

**Effective Date:**

DMC may be awarded at any time during the year. The effective date of the DMC is the first day of the pay period following agency "effective receipt." Effective receipt is defined as the date the Chair of the NCSB receives the recommendation from the Executive Director.

**Funding:**

All DMC awards are supported by the NCSB's salary line, unless resources are move from other existing budget lines to the salary line. Therefore, the use of DMC awards is dependent on the NCSB's financial condition.

**Criteria for Granting DMC:**

The criteria for granting DMC awards are detailed on the attached "Justification for DMC Award".

**Procedure for Requesting and Implementing DMC:**

The Executive Director will recommend NCSB employees for DMC and the Chair of the NCSB will approve or deny the recommendation. Decisions by the Executive Director or Chair of the NCSB are not grievable. In addition, NCSB will submit DMC Justifications and the DMC Excel Report form to OSER who must approve all DMC before being granted. The DMC effective date, as determined above, shall be included in the DMC recommendation and justification sent to OSER.

A DMC may not be retroactive.

**JUSTIFICATION FOR DISCRETIONARY MERIT COMPENSATION (DMC) AWARD**

<b>AGENCY:</b>	<b>EMPLOYEE NAME:</b>	<b>CLASSIFICATION TITLE:</b>		<b>PAY SCHEDULE &amp; RANGE:</b>
<b>CRITERIA</b> (select only one criterion)				
<p><b>Merit:</b> Employee recognition for superior or meritorious performance. Merit criteria/factors which <b>should</b> be considered include:</p> <ul style="list-style-type: none"> <li>• Length or frequency of the outstanding performance</li> <li>• Overall significance or importance of the employee's work products to the organization;</li> <li>• 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)</li> </ul> <p><b>Merit-related criteria/factors</b> which may be considered include:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position.</li> </ul> <p><b>Pay Equity:</b> 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.</p> <p><b>Retention:</b> The employer is aware that the employee is actively seeking other employment, or the employee actually <i>has a job offer in hand</i> and the resultant 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.</p>				
<b>JUSTIFICATION</b>		<b>INCREASE AMT.</b> Hourly or Lump Sum		<b>NUMBER OF WRPS OR EQUIVALENT</b>
Provide justification on page 2 of this document.				
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<b>DMC RECOMMENDATION</b>				
<b>Old Base Salary</b>	<b>New Base Salary</b>	<b>Funding Source(s):</b>	<b>DMC Effective Date:</b>	<b># Prior WRPS in Same FY:</b>
				PUA in last 12 months: No <input type="checkbox"/> Yes <input type="checkbox"/> Effective Date: _____
<b>Recommended By (Supervisor):</b>	<b>Date:</b>	<b>Budget Approval (Funding approval only):</b>	<b>Date:</b>	<b>Division Administrator Approval:</b>
<b>AGENCY HEAD APPROVAL (signature):</b>		<b>APPROVED:</b>	<b>DENIED:</b>	<b>DATE:</b>
		Base Pay Adjustment:	Lump Sum:	
<b>OSER APPROVAL:</b>		<b>APPROVED:</b>	<b>DENIED:</b>	<b>DATE:</b>
		Base Pay Adjustment:	Lump Sum:	
<b>AGENCY CONTACT NAME:</b>		<b>CONTACT PHONE NO:</b>		

**JUSTIFICATION:**

<b>CRITERIA (Check all that apply):</b>	
<input type="checkbox"/> Merit	<input type="checkbox"/> Employee received performance evaluation within last 12 months
<input type="checkbox"/>	<input type="checkbox"/> Employee is a supervisor and has completed required performance evaluations for all subordinates
<input type="checkbox"/> Pay Equity	<input type="checkbox"/> Employee is a supervisor and has completed required performance evaluations for all subordinates
<input type="checkbox"/> Retention	<input type="checkbox"/> Employee is a supervisor and has completed required performance evaluations for all subordinates
<b>JUSTIFICATION NARRATIVE (Provide specifics and supporting documentation below):</b>	

## 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.

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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 the 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** – Show the first day of the pay period following 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** – Show any broadband appointment date(s) in last twelve months, even if pay did not change.
13. **Recommended By; Budget Approval; Division Administrator Approval** – This yellow shaded area may be modified consistent with the agency's internal approval process. **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) **Except in unique situations (such as requesting more than the WRPS limit), individual DMC requests should be limited to only one of the three types of 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 supporting documentation. Documentation may be provided as an attachment.
18. **Submit the completed and approved form, along with the DMC Report spreadsheet form OSER-DCLR-221** (see Attachment 2), to the OSER. DCLR DMC Request mailbox at [OSER\\_DCLR.DMC.Requests@wisconsin.gov](mailto:OSER_DCLR.DMC.Requests@wisconsin.gov).
19. **Payroll Processing of DMC Lump Sums (non-UW agencies)** – After receiving OSER approval for a lump sum DMC, special processing is required. Prior to entering the DMC lump sum amount into the payroll system, the DOA Central Payroll system requires documentation of OSER approval. As documentation, agencies may either: (1) Attach the *first page* of the OSER-approved (signed) DMC Justification Form (OSER-DCLR-220), or (2) attach an OSER DMC approval e-mail that includes the employee name(s) and lump sum amounts(s).