

Office of Justice Assistance (OJA)
DISCRETIONARY MERIT COMPENSATION
June 1, 2012

Background:

The State of Wisconsin Compensation Plan gives the Executive Director of the OJA the authority to grant timely Discretionary Merit Compensation (DMC) adjustments throughout the year to permanent and project classified employees and unclassified employees not serving a fixed term.

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.

Employees in positions allocated to classifications assigned to non-broadband pay ranges are eligible for merit-related lump sum DMC only, and broadbanded employees are eligible for either base building or lump sum adjustments based on merit, equity or for retention purposes.

Eligibility:

All employees in pay status in covered positions are eligible, with the following exceptions:

- Employees whose job performance in the previous fiscal year was rated below satisfactory.
- Supervisors who did not complete formal performance evaluations within the last twelve months on all subordinate employees, as required.
- Any employee paid at or above the applicable pay range maximum may not receive a base-building DMC.
- Classified employees in a non-broadband pay range are eligible for a lump sum DMC for merit and are not eligible for a base building DMC.
- Unclassified employees not serving a fixed term who are covered by Section B of the Compensation Plan are eligible for DMC, but only for meritorious performance.

Amounts:

Subject to the pay range maximum, DMC may be granted to eligible classified employees in any amount up to four (4) within range pay steps per fiscal year. DMC may be granted to employees in broadband pay ranges as a base pay adjustment, in a lump sum payment, or in combination at the discretion of the appointing authority. The DMC awards may be granted at any time during the year. An employee may receive multiple awards within a fiscal year, as long as the four (4) step maximum is not exceeded.

Unclassified eligible employees may be granted an amount up to two (2) within range pay steps per fiscal year for merit only. All base building DMC awards are subject to the pay range maximum.

In extraordinary circumstances, an award exceeding the four (4) step limit for classified employees or two (2) step limit for unclassified employees can be considered, but requires an exception review and approval of the Director of the Office of State Employment Relations. All DMC exception requests must be accompanied by a comprehensive written justification.

Funding:

All awards are funded out of the agency's salary line, unless special funding provisions are provided in the Compensation Plan. The Department of Administration is unlikely to provide supplements for these awards; therefore, the use of these awards is limited by the agency's financial condition.

Criteria for Granting DMC:

DMC will be awarded for only one of the three possible criteria as justification. The following criteria will be considered in the granting of DMC:

- **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 employer 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 agency, therefore, requiring a pay adjustment be made in order to retain the employee.
- **Meritorious Performance:** Employee recognition for superior or meritorious performance.
 - Length or frequency of the outstanding performance;
 - Overall significance of 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).
 - 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.

Additional factors to be considered

- Customer service - Employee has provided exceptional customer service as seen by those who we regulate, our customers, other agencies, OJA management or other departmental employees.
- Contributions towards team goals - Employee is a team player and recognizes and appreciates the contributions others make towards team goals.
- Creates positive work environment - Employee contributes in tangible ways to creating a positive work environment.
- Ability to handle additional workload - Employee has demonstrated an exceptional ability to handle one time or ongoing additional workloads due to vacancies, time-consuming projects or special assignments.

Procedures for Requesting DMC:

Supervisors may recommend eligible employees for DMC. Recommendations submitted must include a detailed justification that specifically describes the reason(s) for granting DMC (based on the criteria outlined above), the type of award recommended (base building and/or lump sum), and the proposed amount of the award.

The Executive Director has the discretion to approve or deny the award of DMC. The DMC decision is not grievable. Additionally, all DMC must be approved by OSER prior to being granted. The Executive Director's office will send the completed and approved DMC Justification form and other required materials to the OSER DCLR DMC Request mailbox for OSER approval.

Effective Date:

DMC may be granted at any time during the fiscal year. The effective date of DMC, if approved by the Executive Director, will be the beginning of the first pay period following effective receipt of the recommendation. Effective receipt is the date the Executive Director's office receives the completed DMC Justification form. No DMC may be retroactive.

Reporting:

OJA will comply with all reporting and retention requirements as specified by the Office of State Employment Relations.

JUSTIFICATION FOR DISCRETIONARY MERIT COMPENSATION (DMC) AWARD

AGENCY:	EMPLOYEE NAME:	CLASSIFICATION TITLE:		PAY SCHEDULE & RANGE:
CRITERIA (select only one criterion)				
<p>Merit: Employee recognition for superior or meritorious performance. Merit criteria/factors which should be considered include:</p> <ul style="list-style-type: none"> • 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) <p>Merit-related criteria/factors which may be considered include:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>Retention: 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>				
AGENCY HEAD APPROVAL (signature):		APPROVED:		DATE:
		Base Pay Adjustment:		Lump Sum:
OSER APPROVAL:		APPROVED:		DATE:
		Base Pay Adjustment:		Lump Sum:
AGENCY CONTACT NAME:				
CONTACT PHONE NO:				

DMC RECOMMENDATION

Old Base Salary	New Base Salary	Funding Source(s):	DMC Effective Date:	# Prior WRPS in Same FY:	PUA in last 12 months:
					<input type="checkbox"/> No <input type="checkbox"/> Yes Effective Date: _____
Recommended By (Supervisor):		Date:	Budget Approval (Funding approval only):		Date:
			Division Administrator Approval:		

JUSTIFICATION:

CRITERIA (Check all that apply):	
<input type="checkbox"/> Merit	<input type="checkbox"/> Employee received performance evaluation within last 12 months <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
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.

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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.
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).

Discretionary Merit Compensation (DMC) Report Form														
Department	Employee Name	Adjusted Continuous Service Date	DMC Effective Date	Date of last PUA*	Class Code	Classification Title	Pay Sched	Pay Range	Pay Rate Prior to Increase	DMC Base Pay Award Amount	Pay Rate Following Increase	DMC Lump Sum Amount	DMC Award Type	Criteria Code(s) a-Merit z-Equity p-Retention

*PUA = Pay Upon Appointment (within 12 months of DMC effective date of receipt)

