

DOUGLAS LA FOLLETTE



SECRETARY OF STATE
WISCONSIN

Discretionary Merit Compensation (DMC) Policy
Office of the Secretary of State
December 14, 2011

The Office of the Secretary of State will conduct review of employee eligibility for Discretionary Merit Compensation (DMC) Award based on the following criteria:

- 1) Merit – The employee has demonstrated superior/meritorious performance.
- 2) Pay Equity – The employee's current 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.
- 3) Retention – The employee possesses special skills that are in high demand in other organizations or the loss of the employee's knowledge and experience would be a detriment to the agency.

In addition, the Office will follow the policy regarding DMC Awards in the Human Resource Handbook. This will include the requirement that all supervisors must have completed subordinates performance evaluations within the past 12 months to be eligible for a DMC.

The effective receipt date will be the date a recommendation is received by the Secretary of State as the appointing authority.

Once it is determined that an employee meets the criteria for a DMC Award the following actions will be taken by the Deputy Secretary of State:

1. The "Justification for Discretionary Merit Compensation Award" Form (DMC Request Form) will be completed (see attached form).
2. Information on the DMC recommendations for new base salary, effective date and funding source will be sent to the Office of the Secretary of State, Budget Staff at the Department of Administration for a check to ensure sufficient funds are available.
3. The Secretary of State will review and approve.
4. The Discretionary Merit Compensation Report Request form will be completed.
5. The Justification and Report Request forms (see attached forms) for DMC awards will be submitted to OSER for the final review/approval.

JUSTIFICATION FOR DISCRETIONARY MERIT COMPENSATION (DMC) AWARD

AGENCY:	EMPLOYEE NAME:	CLASSIFICATION TITLE:	PAY SCHEDULE & RANGE:
CRITERIA		JUSTIFICATION	INCREASE AMT. Hourly or Lump Sum
<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 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.</p>		<p>Provide justification on page 2 of this document.</p>	NUMBER OF WRPS OR EQUIVALENT
DMC RECOMMENDATION			
Old Base Salary	New Base Salary	Funding Source(s):	DMC Effective Date:
Recommended By (Supervisor):	Date:	Budget Approval (Funding approval only):	Date:
		# Prior WRPS in Same FY:	PUA in last 12 months:
			No <input type="checkbox"/> Yes <input type="checkbox"/> Effective Date: _____
		Division Administrator Approval:	Date:
AGENCY HEAD APPROVAL (signature):		APPROVED:	DENIED
		Base Pay Adjustment: _____	Lump Sum: _____
OSER APPROVAL:		APPROVED:	DENIED
		Base Pay Adjustment: _____	Lump Sum: _____
AGENCY CONTACT NAME:		CONTACT PHONE NO:	

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.

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.

Page 2

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 OSERDCLRDMCRequests@wisconsin.gov.**