



# WISCONSIN STATE FAIR PARK DISCRETIONARY MERIT COMPENSATION POLICY & GUIDELINES

## INTRODUCTION

Discretionary Merit Compensation (DMC) is a provision in the State of Wisconsin's Compensation Plan that allows the appointing authority, State Fair Park Director, as delegated by the Office of State Employment Relations (OSER), the discretion to provide employees economic recognition for superior or meritorious performance.

This policy is consistent with Chapter 550 of the Wisconsin Human Resources Handbook, "Discretionary Merit Compensation (DMC) Program and Guidelines," and complies with all reporting requirements as identified in the State Compensation Plan.

DMC will be awarded using existing agency resources and will include a budget review to ensure sufficient funds are available.

The granting, denial and amount of any DMC awards are NOT grievable.

## COVERAGE/ELIGIBILITY

DMC provisions apply to all permanent employees of State Fair Park (SFP), but may only be granted for merit. DMC may be granted at any time during a fiscal year.

Employees ineligible to receive DMC include the following:

- Any employee whose job performance in the previous evaluated year was rated below satisfactory; and
- Managers or supervisors who did not complete formal performance evaluations within the prior 12 months on all subordinate employees for whom performance evaluations are required
- Any employee paid at or above the applicable pay range maximum may not receive a *base-building* DMC
- Crafts Worker and Crafts Worker-related employees

## DMC CRITERIA

Supervisors may request an additional pay adjustment for their assigned employees for **MERIT** – Employee recognition for superior or meritorious performance.

Merit criteria/factors that **should** be considered include the following:

- Length or frequency of the outstanding performance;
- Overall significance or importance of the employee's work products to the organization; and
- 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 criteria/factors that **may** be considered include the following:

- Employee has new permanent job duties and/or responsibilities of growing importance to SFP that have been either newly assigned or were an evolution of his or her originally-assigned functions. The new duties are of greater scope, impact and/or complexity than the previous functions; or
- Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position

## AMOUNT/FREQUENCY

DMC may be granted at any time during the fiscal year in any amount up to **2 Within-Range Pay Steps (WRPS)**, 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. For the purpose of applying the 2 WRPS limitation, any lump sum payment shall be converted to a base pay equivalent by dividing the lump sum by 2088.

The Director of State Fair Park is prohibited from receiving a lump sum payment DMC and is restricted to receiving only a base-building DMC.

An employee may receive more than one DMC award during the fiscal year; however, the total amount granted in the form of a base-building and/or lump sum DMC in the fiscal year may not exceed an amount equal to 2 WRPS.

Under exceptional circumstances, the SFP Director may submit a written request to OSER to exceed the 2 WRPS limit. This request must be accompanied by a comprehensive written justification.

#### **PROCEDURES TO REQUEST DMC**

1. The supervisor shall complete a *Justification for Discretionary Merit Compensation Award* form and obtain his/her department director's signature of approval or denial. If approved, proceed to step 2. If denied, proceed to step 7. **\*\*Note: based on SFP's organizational structure and hierarchy, many times the supervisor is also the department director and will sign as both.**
2. The approved form shall be submitted to the SFP Director for approval, modification, deferral or denial. If approved, proceed to step 3. If modified, deferred or denied, proceed to step 7.
3. The completed form shall be submitted to SFP's Human Resources Department for review. This review is to ensure the justification is appropriate, equitable with staff with similar duties, and complies with established criteria, justification standards and State Compensation Plan provisions.
4. The Human Resources Department will forward the recommendation to the SFP Finance Director for verification of funding availability and approval.
5. If approved, the justification form and the *DMC Excel Report Form* will be submitted to OSER for final approval. If approved by OSER, proceed to step 6. If denied, proceed to step 7.
6. The Human Resources Department will develop an acknowledgement letter informing the employee of the approved award and will process the base-building and/or lump sum adjustment.
7. If the DMC request is modified, deferred or denied at any point in the process, the Human Resources Department will notify the department director and supervisor.

At all points during the process, a dialogue between HR, Finance & the SFP Director should exist if any questions or issues arise.

#### **EFFECTIVE DATE**

The effective date of a base-building adjustment (DMC) is the beginning of the pay period following effective receipt of the recommendation. Effective receipt shall be considered the date the SFP's Human Resources Department receives the recommendation. The effective date of a lump sum award is the date the payment is made. No DMC may be awarded retroactively.

#### **RECORDS RETENTION**

Human Resources will retain a copy of the written DMC justification and acknowledgement letter for each employee. Copies of acknowledgement letters will also be placed in their personnel files in accordance with the State of Wisconsin General Records Schedule.

#### **QUESTIONS**

Questions regarding information in this policy may be addressed to the HR Department at 414.266.7015.

Policy effective 2/1/12

# 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>						
<p><b>Merit:</b> Employee recognition for superior or meritorious performance. Merit criteria/factors which should 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 which may be considered include:</b></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 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>						
		<b>JUSTIFICATION (PROVIDE SPECIFICS AND DETAILS)</b>	<b>INCREASE</b>			
		<b>NOT APPLICABLE</b>	<b>N/A</b>			
		<b>NOT APPLICABLE</b>	<b>N/A</b>			
<b>DMC RECOMMENDATION</b>						
<b>Old Base Salary</b> \$	<b>New Base Salary</b> \$	<b># of WRPS:</b>	<b>Funding Source(s):</b>	<b>DMC Effective Date:</b>	<b># Prior WRPS in Same FY:</b>	<b>PUA in last 12 months:</b> <input type="checkbox"/> No <input type="checkbox"/> Yes Effective Date:
<b>Recommended By (Supervisor):</b>		<b>Date:</b>	<b>Budget Approval (Funding approval only):</b>		<b>Date:</b>	<b>Department Director Approval:</b>
<b>AGENCY HEAD APPROVAL:</b>				<input type="checkbox"/> APPROVED:	<input type="checkbox"/> DENIED	<b>DATE:</b>
				<input type="checkbox"/> Base Pay Adjustment:	<input type="checkbox"/> Lump Sum:	
<b>OSER APPROVAL:</b>				<input type="checkbox"/> APPROVED:	<input type="checkbox"/> DENIED	<b>DATE:</b>
				<input type="checkbox"/> Base Pay Adjustment:	<input type="checkbox"/> Lump Sum:	
<b>AGENCY CONTACT NAME:</b>		<b>CONTACT PHONE NO.:</b>				

**JUSTIFICATION:**

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

Discretionary Merit Compensation (DMC) Request

Department	Employee Name	Adjusted Continuous Service Date	DMC Effective Date	Date of last PUA*	Classification Title	Pay Sched	Pay Range	Salary Prior to Increase	DMC Base Pay Award	Salary Following Increase	DMC Lump Sum Amount	DMC Award Type	DMC Criteria Code**

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

\*\* DMC Criteria Codes  
 1- Merit  
 2-Equity  
 3-Retention