

WISCONSIN TECHNICAL COLLEGE SYSTEM
Discretionary Merit Compensation (DMC) Criteria
Effective January, 2012

Provisions are included in the Compensation Plan for granting compensatory increases to classified permanent and project employees and unclassified employees not serving a fixed term. Compensation increases will be based on merit, pay equity and retention.

Discretionary Merit Compensation (DMCs) will be awarded at the discretion of the WTCS President or designee. All DMC awards will be reviewed and approved by OSER prior to being granted.

DMC's will be awarded using existing agency resources and will include a budget review to ensure sufficient funds are available. The minimum funded spending authority per fiscal year is included in the Compensation Plan but are suspended for the 2011-2013 biennium.

DMC's may be granted anytime during the fiscal year. All supervisors must have completed their subordinates' performance evaluations in the past 12 months to be eligible for a DMC. The effective date of an adjustment will be at the beginning of the first pay period following effective receipt of the DMC recommendation by the WTCS President or designee. No DMC's may be retroactive.

The maximum amount of a DMC for a fiscal year, as either base building or a lump sum payment is as follows:

Broadbanded employees: Up to 4 Within Range Pay Step (WRPS)
Non-Broadbanded employees: Up to 4 WRPS as lump sum only
Unclassified employees: Up to 2 WRPS for merit only

Note: Lump sum DMCs (as opposed to base building) are generally granted for outstanding performance on a special assignment/project or a one-time work-related situation that reflected positively on the agency. Lump sum DMCs may also be used for employees who are ineligible for a base building DMC because they are at or above the pay range maximum.

DMCs are not considered an intervening pay adjustment for purposes of 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) within range pay steps per fiscal year.

DMC Criteria

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Employees ineligible for DMCs include the following:

- Employees with below satisfactory performance
- Supervisors who did not complete performance evaluations in the last 12 months
- Employees at or above the pay range maximum (base building exclusion only)

The following criteria will be considered when granting DMCs:

- **Merit:** Employee recognition for superior or meritorious performance.
Merit criteria /factors which *should* be considered include:
 - 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).Merit-related criteria/factors which *may* be considered include:
 - 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 function of the position.
- **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.
- **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.

DMC Criteria

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The following procedure is used when granting DMCs:

The WTCS Vice President determines that an employee should be recommended for a DMC on the basis of one or more of the above criteria and prepares a formal justification request (see attachment) to the WTCS President or designee. The WTCS President (or designee) reviews the request with input from the Vice President of Finance and Administration and the Human Resources Specialist for funding and eligibility, appropriateness of justification, consistency of treatment, equity with other staff with similar duties; and pay range maximum.

- Upon agency head approval, the attached form will be sent to OSER for review
- Upon approval, the Human Resources Specialist will develop an acknowledgement letter for the WTCS President's signature informing the employee of the approved award; a copy for payroll processing; and file a copy of the acknowledgement letter in the employee's personnel file
- Decisions regarding DMC's by the WTCS President may not be grieved or appealed

JUSTIFICATION FOR DISCRETIONARY MERIT COMPENSATION (DMC) AWARD

AGENCY:	EMPLOYEE NAME:	CLASSIFICATION TITLE:	PAY SCHEDULE & RANGE:
CRITERIA		JUSTIFICATION (PROVIDE SPECIFICS AND DETAILS)	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 to be made in order to retain the employee.</p>		<p>Provide justification on page 2 of this document.</p>	<p>NUMBER OF WRPS OR EQUIVALENT</p>
		<p>Provide justification on page 2 of this document.</p>	
		<p>Provide justification on page 2 of this document.</p>	
DMC RECOMMENDATION			
Old Base Salary	New Base Salary	Funding Source(s):	DMC Effective Date:
Recommended By (Supervisor):	Date:	Budget Approval (Funding approval only):	Date:
		DMC Effective Date:	PUA in last 12 months:
		Division Administrator Approval:	Effective Date:
		APPROVED:	DENIED:
		Base Pay Adjustment:	Lump Sum:
		APPROVED:	DENIED:
		Base Pay Adjustment:	Lump Sum:
AGENCY CONTACT NAME:		CONTACT PHONE NO.:	

JUSTIFICATION:

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

DR

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 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.

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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.