

State of Wisconsin

DEPARTMENT OF EMPLOYMENT RELATIONS

- *COMPENSATION & LABOR RELATIONS BULLETIN* -

Date: August 24, 1999

Locator No: CLR/PP-163

Subject: Authorization of Fiscal Year 1999-2000 Base Pay Adjustment and Lump Sum Payment to Nonrepresented Employees Under Certain Circumstances

The purpose of this bulletin is to inform appointing authorities of the circumstances under which a fiscal year pay adjustment must be provided to certain nonrepresented employees who, as a result of a personnel transaction, did not receive a scheduled adjustment on the effective date of the adjustment as authorized in the Compensation Plan. The amount of such adjustment is explained below. A lump sum payment is also authorized.

Under the provisions of s. 230.12(4)(b), Wis. Stats., the Secretary of the Department of Employment Relations may determine the circumstances under which it is appropriate for an appointing authority to grant, and may authorize an appointing authority to grant, a general wage adjustment (or portion thereof) to employees who did not receive such an adjustment on the effective date as authorized in the Compensation Plan. Such an adjustment may not be effective before the effective date of the transaction that created the need for application of this provision, but the Secretary may authorize the appointing authority to grant a lump sum payment to an employee to reflect any wage that the employee did not receive during the period between the effective date of the adjustment prescribed in the Compensation Plan and the effective date of the individual employee transaction.

A base pay adjustment and related lump sum payment must be granted to nonrepresented employees who did not receive, or were not considered for, a FY 1999-2000 wage adjustment under a collective bargaining agreement or Compensation Plan prior to moving to the affected position. The following circumstances have been identified as appropriate for granting a fiscal year increase under this authority.

The employee (represented or nonrepresented) moved to a nonrepresented position (e.g., transfer, promotion, demotion, reclassification, reallocation) **before the effective date of the FY 1999-2000 wage adjustment for the employee's previous position and after the effective date of the FY 1999-2000 wage adjustment applicable to the classification to which the employee moved (reallocated, reclassified, etc.)**.

In such a case the employee would be granted an adjustment equal to the amount the employee would have received had he or she been in that new position on the actual effective date of the respective adjustment. Where the amount of the adjustment is discretionary, the amount the employee may be granted under this provision is limited to the amount the employee would have generated had the employee been in the position on the actual effective date of the adjustment.

The base pay adjustment will be effective as of the effective date of the personnel transaction and will be processed **prior** to the application of any pay adjustment resulting from the transaction. A lump sum payment must be granted in an amount equal to the hourly adjustment granted to the employee under this authority, multiplied by the number of hours in pay status from the actual effective date of the adjustment to the effective date of the personnel transaction.

NOTE: *In accordance with s. 20.928(3), Wis. Stats., compensation adjustments for state employes may not be made prior to the enactment of the biennial budget bill. The budget bill is "enacted" on the date it is signed by the Governor. It is not possible, therefore, to determine when the compensation adjustments described in this bulletin will be reflected in employe paychecks. The effective date of the compensation adjustments is July 4, 1999, however, and they will be earned as of that date irrespective of the date of payment.*

Details on how back pay will be handled will be provided by the payroll centers. Agencies are strongly encouraged to delay employe movements, if possible, until the budget is enacted. If it is not possible to delay an employe movement, agencies must keep manual records of all movements to, from or between nonrepresented positions that occur from July 4, 1999, to the date the budget is enacted.

EXAMPLES:

1. A Program Assistant 3 promotes to a Program Assistant Supervisor 2 (PR 1-11) position effective August 1, 1999. The FY 1999-2000 wage adjustment for Program Assistant 3 [Wisconsin State Employees Union (WSEU), Administrative Support unit] has not yet been negotiated. The FY 1999-2000 adjustment for the Program Assistant Supervisor 2 classification, a 2.0% General Wage Adjustment, was effective July 4, 1999. Assuming the employee meets the eligibility criteria for the General Wage Adjustment, the employee should be granted a 2.0% base pay adjustment **prior** to setting pay as a result of the promotion. However, per the *NOTE* above, the employee may only be **paid** the amount calculated based on ch. ER 29, Wis. Adm. Code, pay on promotion provision using rates effective prior to July 4, 1999. A lump sum reflecting the 2.0% adjustment and the PR 1-11 rates effective July 4, 1999, should be granted equal the adjustment multiplied by the number of hours in pay status from July 4, 1999, to the enactment of the state budget plus the difference in the promotional increase (due to using rates effective before July 4, 1999) multiplied by the number of hours in pay status from August 1, 1999 to the enactment of the state budget.

2. Assume the same example given above, but the effective date of the promotion is after the enactment of the state budget. The employe would still be granted a 2.0% base pay adjustment prior to setting pay as a result of the promotion. However, since the rates effective July 4, 1999, will be used to calculate the pay on promotion, the lump sum would only be equal to the adjustment multiplied by the number of hours in pay status from July 4, 1999, to the effective date of the promotion.
3. An Accountant-Advanced promotes to an Administrative Manager (PR 81-80) position effective after the enactment of the budget. The FY 1999-2000 wage adjustment for positions in the Professional Fiscal and Staff Services unit has not yet been negotiated. The FY 1999-2000 increase for the Administrative Manager classification was effective July 4, 1999, and provided for a generation of 2.0% by each employe, with the entire 2.0% to be distributed at the discretion of the appointing authority.

Assuming the employe meets the eligibility criteria for the General Wage Adjustment, the employe could be granted up to a 2.0% increase. This increase would be applied **prior** to setting the employe's pay as a result of the appointment to the Administrative Manager position. The employe should be granted a lump sum payment equal to the amount actually granted under this provision, multiplied by the number of hours in pay status from July 4, 1999, to the effective date of the promotion.

Questions regarding the eligibility of an employe for an adjustment under this provision or the amount of an increase or lump sum payment may be directed to Paul Ostrowski, by e-mail at Paul.Ostrowski@der.state.wi.us, by phone at (608) 267-0343, or by FAX at (608) 267-1020; or James Luedtke, by e-mail at James.Luedtke@der.state.wi.us, by phone at (608) 267-5169, or by FAX at (608) 267-1020.

James A. Pankratz, Administrator
Division of Compensation and Labor Relations

JAP:PLO