SECTION J - PROVISIONS FOR ADMINISTERING DISCRETIONARY MERIT COMPENSATION (DMC)

1.00 Coverage

2.00 Discretionary Merit Compensation (DMC)

1.00 Coverage

The provisions of this Section (Section J) apply to permanent and project classified employees and unclassified employees not serving a fixed term (Section B, 3.05 and Section C of this Plan).

2.00 Discretionary Merit Compensation (DMC)

(1) Concept. Discretionary Merit Compensation (DMC) provisions allow the appointing authority the sole discretion to provide employees in both broadband and non-broadband pay ranges economic recognition for merit, or compensation for retention of non-broadband classified employees and unclassified State Fair Park employees except the Executive Director. The granting, denial, and amount of any DMC is not grievable.

(2) Effective Date. DMC may be granted at any time during the fiscal year. The effective date of an adjustment will be the beginning of the first pay period following effective receipt (as defined in Section I, 3.00 of this Plan) of the DMC recommendation. No DMC may be retroactive. If multiple pay adjustments have the same effective date, DMC will be applied to an employee’s base pay according to Section I, 4.01 of this Plan. **No DMC may be granted on the effective date of an appointment.**

(3) Initial Applicability. Agencies must develop administrative procedures that will be used to grant DMC prior to awarding any DMC. The administrative procedures must be developed and followed in accordance with the guidelines issued by the DPM Administrator and will be applied in a uniform manner throughout the agency or employing unit.

(4) Requirements. **All DMC will be approved by DPM prior to being granted, unless delegation is granted to the appointing authority.** Delegation may be removed at any time. Additional information may be required at the discretion of the DPM Administrator.
(5) Eligibility. All employees who are in pay status in positions covered by this Section (Section J) are eligible to be considered for DMC except the following:

(a) Employees who did not receive a performance evaluation in the last 12 months or were rated below satisfactory.

(b) Supervisors who did not complete formal performance evaluations on all subordinate employees for whom performance evaluations are required.

(c) Any employee paid at or above the applicable pay range maximum may not receive a base-building DMC.

(d) Trainees eligible for scheduled trainee increases.

(e) Crafts Worker and Crafts Worker-related employees (project crafts workers, crafts worker supervisors, and shop supervisors) will be eligible for lump sum merit DMC only.

(f) Positions specifically listed in s. 20.923(2), (3), (4g) and (5), Wis. Stats.

(g) Represented positions in the public safety bargaining unit.

(h) Employees whose positions are allocated to the following attorney classifications are not eligible for DMC:

Assistant District Attorney
Assistant Attorney General
Assistant Attorney General Confidential
Assistant Attorney General Supervisor
Assistant State Public Defender Attorney
Assistant State Public Defender Attorney Confidential
Assistant State Public Defender Attorney Confidential/Supervisor
Assistant State Public Defender Attorney Management
Assistant State Public Defender Attorney Supervisor
Deputy District Attorney
Deputy District Attorney Supervisor

(i) An employee that was eligible for broadband pay upon appointment within the previous twelve months should be considered for DMC only in exceptional circumstances.

(j) Merit DMC will only be approved if one or more of the following criteria were considered:

1. The length or frequency of the outstanding performance;
2. Overall significance or importance of the employee’s work product to the organization;
3. Regularity with which the outstanding performance or unique contribution is demonstrated;
4. Employee has new permanent job duties and/or responsibilities of growing importance to the agency that have been either newly assigned or were the evolution of their originally assigned functions, and are of greater scope, impact and/or complexity compared to previous functions; or
5. Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position.

(k) Retention DMC will only be approved if the employer is aware that the employee is actively seeking other employment, or the employee has a job offer in hand and the resultant loss of the employee’s knowledge and experience would be a detriment to the agency.

(6) Individual Increase Limits. The individual increase limit provided in s. 230.12(5)(d), Wis. Stats., does not apply to base pay adjustments granted pursuant to this Section (Section J).

(7) Funding. DMC is not considered a “salary adjustment” for which supplemental allotments may be provided under s. 20.865, Wis. Stats., except as provided under (11), below.

(8) Reinstatement and Restoration. DMC may not be included when calculating pay on reinstatement or restoration, except when returning from a leave of absence granted for service in an unclassified position. This exception is limited to 2 within pay range steps (WRPS) per fiscal year and applies only to fiscal years in which the employee received a DMC (or Discretionary Compensation Adjustments (DCA) under a previous, similar program).

(9) Amount for Eligible Employees Covered in Section A and Eligible Employees Covered by Section C of this Plan.

(a) Except as provided in (c) below, DMC may be granted to eligible classified employees and eligible unclassified attorneys in any amount up to 4 WRPS per fiscal year subject to the maximum of the pay range. DMC may be granted as a base pay adjustment, a lump sum payment, or in combination of both at the discretion of the appointing authority, except that Crafts Worker and Crafts Worker-related employees will be eligible for lump sum merit DMC only. For the purpose of applying the 4 WRPS limitation, the payment shall be converted to a base pay equivalent by dividing the lump sum by 2080.

(b) An employee may receive more than one DMC during a fiscal year. However, the total amount granted in the form of base-building and/or lump sum DMC in the fiscal year may not exceed an amount equal to 4 WRPS, except as provided in (c) below. The DMC 4 WRPS limit, per fiscal year, per employee, includes
DMC granted by a single agency or by multiple agencies. Employees may self-nominate in writing to their supervisor not more than once per fiscal year.

(c) Under exceptional circumstances, an appointing authority may submit a request to the DPM Administrator to exceed the 4 WRPS limit specified in (a) and (c) above. This request must be accompanied by a comprehensive written justification.

(10) Amount for Employees in Unclassified Positions Not Serving a Fixed Term Under Section B, 3.05 of this Plan.

(a) Except as provided in (c) and (d) below, the DMC may be granted to eligible employees covered under Section B, 3.05 in any amount up to 4 WRPS for merit only, 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 at the discretion of the appointing authority. For the purpose of applying the 4 WRPS limitation, any lump sum payment shall be converted to a base pay equivalent by dividing the lump sum by 2080. Lump sum payments are strictly prohibited for employees whose positions are referred to in s. 20.923(16), Wis. Stats. Eligible employees who may not receive lump sum payments include those in the following positions from s. 20.923(4) and (7) through (12), Wis. Stats.:

1. All Department Secretaries;
2. All Department Deputy Secretaries;
3. All Department Executive Assistants;
4. All unclassified Division Administrators not serving a fixed term;
5. Administration, Department of: Director of the Federal-State Relations Office;
6. Arts Board: Executive Secretary;
7. Corrections, Department of: Director of Prison Industries;
8. Educational Communications Board: Executive Director
9. Financial Institutions, Department of: Director of the Office of Credit Unions
10. Government Accountability Board: Legal Counsel
11. Governor, Office of: Executive Secretary, Key Professional Staff
12. Governor’s Work-Based Learning Board: Executive Director
13. Higher Education Aids Board: Executive Secretary
14. Insurance, Office of: Commissioner
15. Justice, Department of: Program Director for Crime Victims Compensation
17. Safety and Professional Services, Department of: All Bureau Directors
18. Secretary of State, Office of: Assistant Secretary of State
19. Sentencing Commission: Executive Director
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20. State Fair Park: Director
21. State Treasurer, Office of: Assistant State Treasurer
22. Wisconsin Historical Society: Director; Associate Director
23. Wisconsin Technical College System: Director
24. Workforce Development: Executive Director for Employment and Training

(b) An employee may receive more than one DMC during the fiscal year, however, the total amount granted in the form of base-building and/or lump sum DMC in the fiscal year may not exceed an amount equal to 4 WRPS, except as provided in (c) below. The DMC 4 WRPS limit, per fiscal year, per employee, includes DMC granted by a single agency or by multiple agencies. Employees may self-nominate in writing to their supervisor not more than once per fiscal year.

(c) Under exceptional circumstances, an appointing authority may submit a written request to the DPM Administrator to exceed the 4 WRPS limit specified in (a) and (b) above. This request must be accompanied by a comprehensive justification.

(d) Unclassified employees of State Fair Park, except the Director, shall be granted DMC in accordance with (a) through (c) above, except that they shall be eligible based on merit or retention.