

# Wisconsin Human Resources Handbook

## Chapter 550

### Discretionary Merit Compensation (DMC) Program Guidelines

Sec. 550.010	Introduction	Sec. 550.100	Agency DMC Administrative Procedures
Sec. 550.020	Statutory Authority	Sec. 550.110	Agency Procedure for Obtaining DPM Approval of DMC Recommendations
Sec. 550.030	Eligibility and Coverage	Sec. 550.120	Recordkeeping
Sec. 550.040	DMC Amounts	Sec. 550.130	DMC Approval Delegation
Sec. 550.050	All Other Unclassified Employees (Covered by Section B of the Compensation Plan) in Non-Broadband Pay Ranges	Sec. 550.140	Non-broadband Retention
Sec. 550.060	DMC Effective Dates	Sec. 550.150	Referral of Questions
Sec. 550.070	Multiple Base Pay Adjustments Effective on the Same Date	Sec. 550.160	Administrative Information
Sec. 550.080	DMC Limitation Exceptions	Attachment #1	Justification for Discretionary Merit Compensation Award
Sec. 550.090	DMC Exception Request when Pay upon Appointment has been used within the past 12 months for Broadbanded Employees	Attachment #2	Discretionary Merit Compensation Report Form
		Attachment #3	2017-2019 Compensation Plan DMC Eligibility Chart

---

#### Sec. 550.010 Introduction

This handbook chapter provides general policy assistance and information to agencies processing base-building and lump sum Discretionary Merit Compensation (DMC) for eligible classified and unclassified employees.

The DMC provisions, contained in Section J of the Compensation Plan, and this chapter provide guidance to appointing authorities for awarding monetary recognition for merit to employees (except those serving a fixed term) covered by the Compensation Plan. They also provide compensation for retention of non-broadband classified employees and unclassified State Fair Park employees except the Executive Director. (See criteria listed in Sec. 550.110.)

The chart provided as Attachment #3 to this chapter describes DMC eligibility in general terms and notes exceptions to eligibility by pay schedule.

Generally, DMC may be granted to any eligible classified or unclassified employee whose pay administration is covered by the Compensation Plan, other than fixed term and attorneys covered by s. 230.12(10) to (12), Wis. Stats., or Section C, 3.00, of the Compensation Plan. DMC adjustments may be granted as a base pay increase, a lump sum payment, or a combination of both. However, for certain executive positions, the DMC is limited to only base pay increases. Certain craftworker positions may receive only lump sum payments. Detailed information about eligibility and limits of the DMC amount are provided within this chapter.

**Basic DMC Information:**

- DMC amounts are normally limited to four within range pay steps (WRPS) of the employee's pay range, per fiscal year. The specific details regarding limitations are provided later in this chapter.
- All base pay DMC increases are subject to the maximum of the employee's pay range.
- All lump sum DMC must be converted to a base pay equivalent by dividing the lump sum amount by 2080; this will ensure the fiscal year WRPS limitation is not exceeded.
- Crafts Worker and Crafts Worker-related employees will be eligible only for lump sum **merit** DMC.
- Employees may not be eligible for DMC if broadband pay upon appointment was used in the same fiscal year. (See exception request procedure described in Section 550.090.)
- The granting, denial, amount, and type (base building or lump sum) of DMC are not grievable.
- All DMC awards are subject to DPM approval prior to being granted, unless delegation has been granted.

DPM may issue limitations in addition to those described in this chapter including but not limited to: limits to the number of awards, award amounts, program availability, and date range for awards.

This chapter is based on provisions contained in the current Compensation Plan, which may be found on the Department of Administration, Division of Personnel Management (DPM) website at <https://dpm.wi.gov/Pages/Employees/CompensationPlan.aspx> , or at the following hyperlink: [2017 - 2019 Compensation Plan](#)

**Sec. 550.020 Statutory Authority**

1. "The compensation plan may, when applicable, include provisions for supplemental pay and pay adjustments, and other provisions required to implement the plan or amendments thereto."  
s. 230.12(1)(a)2, Wis. Stats.
2. "Provisions for administration of the compensation plan and salary transactions shall be provided, as determined by the administrator, in either the rules of the administrator or the compensation plan."  
s. 230.12(1)(a)3, Wis. Stats.

**Sec. 550.030 Eligibility and Coverage**

All employees in pay status whose pay administration is covered by the Compensation Plan are eligible to be considered for DMC except the following employees, who are considered **ineligible** to receive DMC:

1. Any employee whose job performance in the previous 12 months was rated below satisfactory.
2. Any employee who received any form of formal discipline in the past 24 months which was not subsequently overturned through a grievance process.
3. Supervisors who did not complete formal performance evaluations on all subordinate employees for whom performance evaluations are required.
4. Employees paid at or above the applicable pay range maximum may **not** receive a base-building DMC.
5. Trainees eligible for scheduled trainee increases.
6. Crafts Worker and Crafts Worker-related employees will be eligible for **lump sum merit** DMC only.
7. Employees serving a fixed term appointment.
8. Represented positions in the public safety bargaining unit.

9. Any Attorney who is covered by pay progression provisions under s. 230.12(10) to (12), Wis. Stats., or Section C, 3.00, of the Compensation Plan, which include the following classifications:

Assistant Attorney General  
Assistant Attorney General Confidential  
Assistant Attorney General Management  
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  
Assistant District Attorney  
Deputy District Attorney  
Deputy District Attorney Supervisor

10. Employees serving the first 12 months of an original probationary period, or the first year of a career executive trial period which is also the employee's original probationary evaluation.

#### **Sec. 550.040 DMC Amounts**

An employee may receive more than one DMC during the fiscal year; however, the total amount granted in the form of base pay adjustments or lump sum payments (or a combination of both, except that base pay adjustments are limited to two WRPS per fiscal year) during a fiscal year may not exceed an amount equal to the four WRPS limit, except as provided in Sec 550.080. The WRPS per fiscal year per employee limit includes DMC granted by a single agency or by multiple agencies. It does *not* include adjustments granted under Discretionary Equity or Retention Adjustment (DERA) provisions.

All base pay DMC is subject to the maximum of the applicable pay range. All lump sum DMC must be converted to a base pay equivalent by dividing the lump sum amount by 2080 to ensure the fiscal year WRPS limitation is not exceeded.

#### **Sec. 550.050 Unclassified Employees (Covered by Section B of the Compensation Plan) in Non-Broadband Pay Ranges**

1. Eligible unclassified employees in non-broadband pay ranges, except fixed term employees, are eligible for DMC limited to four WRPS per fiscal year, except as provided in Sec. 550.080. Within this four WRPS limit, only two steps may be awarded as base pay adjustments, unless an exception is approved to award up to an additional two steps as described in Sec. 550.080.
2. DMC for employees in Pay Schedules 90 and 95 (listed below and referenced in s. 20.923(16), Wis. Stats.) may only be granted as base building adjustments.

All Department Secretaries  
All Department Deputy Secretaries  
All Department Assistant Deputy Secretaries  
All Department Executive Assistants  
All unclassified Division Administrators not serving a fixed term, excluding Chief Legal Counsels, Legislative Advisors, and Communications Directors  
Administration, Department of: Director of Federal-State Relations Office; Regional Directors of Intergovernmental Affairs; Director of Office of Business Development  
Arts Board: Executive Secretary  
Corrections, Department of: Director of Prison Industries  
Educational Communications Board: Executive Director

Director of the Office of Credit Unions  
Governor, Office of: Executive Secretary and Key Professional Staff  
Governor's Work-Based Learning Board: Executive Director  
Higher Education Aids Board: Executive Secretary  
Insurance, Office of: Commissioner  
Justice, Department of: Executive Director of the Office of Crime Victims Services  
Public Defender, Office of: State Public Defender  
Safety and Professional Services, Department of: All Bureau Directors  
Sentencing Commission: Executive Director  
State Fair Park: Director  
State Treasurer, Office of: Assistant State Treasurer  
Wisconsin Historical Society: Director and Associate Director  
Wisconsin Technical College System: Director  
Workforce Development: Executive Director for Employment and Training

**NOTE:** Employees serving fixed terms are prohibited by Article IV, Section 26, of the Constitution, from receiving pay increases during their terms of office except as authorized at the time of appointment.

3. For all other eligible unclassified employees (except as noted in 1. and 2., above), the DMC may be granted in the form of a base pay adjustment, lump sum payment, or a combination of both.
4. For positions assigned to pay schedules that do not include a WRPS amount, use 3% of the applicable pay range minimum as one WRPS. For NTE (not-to-exceed) positions, use 3% of the minimum of the pay range to which the NTE is assigned.
5. Base-building DMC may be awarded to general senior executive positions identified in s. 20.923(7), Stats., subject to approval by the DPM Administrator, and subject to the limitations stated in 1., above. DMC may not be effective retroactively.

#### **Sec. 550.060 DMC Effective Dates**

DMC may be granted at any time during the fiscal year in accordance with approved agency DMC policies and DPM guidelines. The effective date of base building and lump sum adjustments is the beginning of the first pay period on or following the date of effective receipt of the recommendation. If multiple base pay adjustments have identical effective dates, the DMC will be applied to the employee's base pay rate using the guidelines outlined in Section 550.070 of this chapter. No DMC may be retroactive.

"Effective receipt" is defined as the date on which a recommendation is received by the office within the agency that has been delegated, in writing, effective receipt authority by the appointing authority.

#### **Sec. 550.070 Multiple Base Pay Adjustments Effective on the Same Date**

Pursuant to Section I, 4.01 of the Compensation Plan, if multiple base pay adjustments have the same effective date, DMC will be applied to an employee's base pay according to the order of adjustments provided below.

1. Reallocation regrade adjustment
2. Reclassification regrade adjustment
3. Progression adjustment
4. Promotion upward movement adjustment, except when considered a return to previous level
5. Career executive voluntary movement to a higher classification
6. Demotion downward movement adjustment
7. Career executive reassignment or voluntary movement to a lower classification
8. Transfer lateral movement adjustment

9. Career executive assignment or voluntary movement to a position allocated to a classification in the same pay range
10. Reinstatement and return to previous level
11. Restoration
12. Compensation Plan adjustments pursuant to s. 230.12, Wis. Stats.
13. Compensation Plan schedule adjustments under s. 230.12, Wis. Stats.
14. Progression adjustments other than those provided for in (4), above.
15. Establishment of a raised minimum rate
16. Discretionary Equity or Retention Adjustment (DERA)
17. **Discretionary Merit Compensation (DMC)**
18. Original Appointment, except when considered a return to previous level

**NOTE:** 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 matching DMC actually received in the unclassified position and a maximum of **four** WRPS per fiscal year for the applicable classified pay range from which reinstatement eligibility or restoration rights are derived.

### **Sec. 550.080 DMC Limitation Exceptions**

The basic limitations on the number of WRPS and the type (base pay adjustment or lump sum payment) are provided in Sections 550.040 and 550.050 of this chapter. Under exceptional circumstances, an appointing authority may submit a request to the DPM Administrator to exceed the specified 2 WRPS limit for base building adjustments, but the maximum allowable WRPS per fiscal year for DMC remains 4 WRPS. This request must be accompanied by a comprehensive justification.

**NOTE:** The individual increase limit provided in s. 230.12(5)(d), Wis. Stats., for classified employees does not apply to DMC outlined in this chapter.

DPM approval is *required* for all DMC recommended by an agency, unless delegation is granted in accordance with Section 550.130. DPM's review will include confirming that certain eligibility requirements are met, the appropriate limitations have not been exceeded, and that proper justification has been provided.

### **Sec. 550.090 DMC Exception Request when Pay upon Appointment has been used within the past 12 months for Broadbanded Employees**

DPM will conduct an exception review if an agency requests to award DMC to a broadbanded employee if the DMC effective date is within a 12 month period from the most recent pay upon appointment (i.e., a personnel transaction other than demotion, reclassification, or reallocation, where an agency has flexibility to set the employee's pay rate). This request must be accompanied by a comprehensive justification.

### **Sec. 550.100 Agency DMC Administrative Procedures**

DMC provisions allow appointing authorities to provide monetary recognition for merit to eligible employees.

Prior to recommending DMC, agencies must develop administrative procedures which must be reviewed and approved by DPM's Classification and Compensation Section (CCS). Administrative procedures are defined as written protocols that detail how employees may qualify for and receive DMC. No agency may recommend DMC until its administrative procedures have been reviewed and approved by DPM. Agencies wishing to amend existing DMC administrative procedures should submit updated copies for review and approval to CCS.

All DMC administrative procedures must explain the agency DMC recommendation and approval process. At a minimum, the administrative procedure section should include: (1) what office or individual within the agency

constitutes DMC effective receipt (as defined in Section I., 3.00, of the Compensation Plan), and (2) the process to be followed by nominating supervisors and administrators to submit DMC recommendations for approval, including timing of submittals. Effective receipt is based on when a request is received, not signed. DPM recommends that agency administrative procedures also include (1) a list of criteria that justify DMC (or reference the core criteria on the Justification for DMC Award form); (2) an explanation of any funding limitations; and (3) details regarding fiscal year award maximums.

### **Sec. 550.110 Agency Procedure for Obtaining DPM Approval of DMC Recommendations**

DPM approval is *required* for all DMC recommendations, unless approval is delegated in accordance with Section 550.130, of this chapter. The information listed below is necessary for each DMC award recommended. The complete package of required items described below must be attached and sent electronically to the DPM designated DMC mailbox for each DMC recommendation: [DOADPMBCLRDMC-DERARRequests@wisconsin.gov](mailto:DOADPMBCLRDMC-DERARRequests@wisconsin.gov). Agencies with multiple recommendations may combine all requests into one e-mail. *Incomplete requests will be returned to the agency for completion and resubmittal.*

**Required Form** – When submitting a DMC recommendation to DPM, agencies must complete the [DMC/DERA Justification form](#) (DOA-15330), sample shown in Attachment 1) filling in all areas of the form including the reason for the DMC, a description of criteria met that are applicable to the DMC recommendation, the DMC type (base building and/or lump sum), and DMC amount to be granted. The form must also include the applicable agency approvals (including appointing authority or designee signature). For DMC effective after February 18, 2018, the following criteria from Section J, 2.00(5)(1), of the Compensation Plan must be used:

- (l) 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.

**Required Spreadsheet** – Attach the formatted [DMC/DERA Report Form spreadsheet](#) (DOA-15331), sample shown in Attachment 2) containing all areas listed below for each DMC approval request. If multiple DMC recommendations are included in the same e-mail, all entries may be shown on a single Excel spreadsheet.

- a. Agency name
- b. Employee ID
- c. Employee name (Last name, First Name)
- d. Adjusted Continuous Service Date (mm/dd/yyyy)
- e. DMC Effective Date (mm/dd/yyyy)
- f. Date of Broadband Pay Upon Appointment (PUA) in the previous 12 months, if any (mm/dd/yyyy)
- g. Employee Classification
- h. Pay Schedule
- i. Pay Range
- j. Base Rate prior to DMC
- k. DMC base increase amount
- l. Base Rate after DMC
- m. DMC lump sum amount
- n. DMC award type (base or lump sum)
- o. DMC criteria (code 1 or code 2 for retention)
- p. Number of Within Range Pay Steps
- q. Position fund source and percentage of distribution

**Upon approval/denial by DPM** – Agency will receive an e-mail from DPM with the decision.

**Retention DMC requests** - DPM will respond to retention DMC recommendations within one work day of receipt of the request, whenever possible.

### **Sec. 550.120 Recordkeeping**

Agencies must retain a copy of all records pertaining to recommended DMC (whether approved or denied by DPM) for a period of three years (one biennium plus one year) and furnish materials upon DPM's request. DMC records to be retained include all DMC nominations, DMC approvals and denials, and DMC related documents sent to and received from DPM.

### **Sec. 550.130 DMC Approval Delegation**

Per Section J, 2.00 (4) of the 2017-2019 Compensation Plan, all DMC must be approved by DPM prior to being awarded unless delegation is granted to the appointing authority. If DPM delegates authority, an agency will still be required to send the completed DMC/DERA excel report form to the designated DMC mailbox at: [DOADPMBCLRDMCDERARequests@wisconsin.gov](mailto:DOADPMBCLRDMCDERARequests@wisconsin.gov). The agency must also retain a copy of all records pertaining to the DMC request (whether approved or denied) for a period of three years (one biennium plus one year) and furnish those materials upon DPM's request. DMC records to be retained by the agency include all DMC nominations, DMC approvals and denials, DMC related documents sent to and received from DPM, and documents that would have been sent to DPM if delegation had not been granted.

DMC approval delegation may be rescinded at any time.

DPM may issue additional guidelines at any point during the fiscal year.

**Sec. 550.140 Non-broadband Retention**

Retention adjustments may be granted to classified employees in positions allocated to non-broadband pay ranges, or unclassified employees of State Fair Park, other than the Director, in accordance with the same provisions in Section I, 6.00 of this Plan used for granting retention DERA to employees in broadband positions.

**Sec. 550.150 Referral of Questions**

Questions regarding information included in this chapter may be directed to DPM’s Classification and Compensation Section.

Questions concerning payroll processing or file maintenance procedures may be sent to:

DOA Central Payroll:

Nancy Krueger.....(608) 264-9571

**Sec. 550.160 Administrative Information**

This chapter provides implementation and administration information for the Discretionary Merit Compensation program, created in the 2011-2013 Compensation Plan. With the creation of this program, the Discretionary Compensation Adjustment program previously described in Chapter 540 is abolished.

This chapter was updated in March 2012 to indicate that except for unique circumstances, only one of the three criteria should be used for a DMC submittal. The attached sample justification form was revised in several respects to: narrow the definition of retention; show only one of the three possible criteria being used for a DMC award; clarify the DMC effective date to enter on the form; clarify the requested pay upon appointment information; and add instructions for processing DMC lump sums through DOA Central Payroll.

This chapter was updated in July 2013 to: remove equity and retention adjustments from the chapter (for equity and retention adjustments, see Chapter 552 Discretionary Equity or Retention Adjustment (DERA) Program Guidelines); allow base-building DMC to employees in nonbroadband classifications; update other eligibility requirements; include potential OSER delegation of DMC approval to agencies, and provide clarification of existing provisions.

This chapter was updated in July of 2015 to reflect language amended in the 2015-2017 Compensation Plan. Changes include retention DMC for nonbroadband classified employees and certain State Fair Park employees, craft worker eligibility for lump sum merit DMC, increase in within range pay limits for unclassified merit, and annual rate calculation change (2080 factor instead of 2088).

This chapter was updated in February 2016. Pursuant to the changes introduced by 2015 Wisconsin Act 55, in July 2015, the Office of State Employment Relations was eliminated, and the functions were transferred into the newly created Department of Administration, Division of Personnel Management. This chapter was updated to reflect the changes in terminology that resulted from the organizational restructuring.

This chapter was updated in March of 2018 to reflect language amended in the 2017-2019 Compensation Plan. Changes include creation of a separate provision to govern retention DMC, modification of eligibility requirements, revision of the maximum number of WRPS allowable per fiscal year for base pay DMC, and removal of the provision requiring that employees be allowed to self-nominate for DMC.

**JUSTIFICATION FOR DISCRETIONARY MERIT, EQUITY, OR RETENTION AWARD (DMC/DERA)**  
**Sample Form**

<b>AGENCY:</b>	<b>EMPLOYEE NAME:</b>	<b>EMPLOYEE ID#</b>	<b>CLASSIFICATION TITLE:</b>		<b>PAY SCHEDULE &amp; RANGE:</b>
DOA	Smith, Sue A.	100099999	Publications Supervisor		81-03
<b>CRITERIA (Choose One Only)</b>			<b>JUSTIFICATION</b>	<b>INCREASE AMOUNT</b>	<b>NUMBER OF WRPS OR EQUIVALENT</b>
<b>Merit:</b> Employee recognition for superior or meritorious performance. Justification should be supported by criteria outlined in Section J, 2.00(5) of the Compensation Plan.			Provide on page 2 of this document or attach	\$2,500	<b>1.77</b>
<b>Pay Equity:</b> Justification should be supported by criteria outlined in Section I, 6.00(6) of the Compensation Plan.			Provide on page 2 of this document or attach		
<b>Retention:</b> Retention DMC/DERA will only be approved if 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. Retention DMC/DERA will not be approved for potential movements within an agency or to another executive branch, non-UW agency.			Provide on page 2 of this document or attach		
<b>DMC/DERA RECOMMENDATION</b>					
<b>Old Base Salary</b>	<b>New Base Salary</b>	<b>Funding Source(s):</b>	<b>Award Effective Date:</b>	<b># Prior WRPS in Same FY:</b>	<b>Broadband PUA in last 12 months:</b>
28.00	28.00	GPR	4/15/2018	0	<input checked="" 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>Division Administrator Approval:</b>
<b>AGENCY HEAD APPROVAL (signature):</b>		<input type="checkbox"/> <b>APPROVED:</b> <input type="checkbox"/> <b>DENIED</b> Base Pay Adjustment: Lump Sum: \$2,500			<b>DATE:</b>
<b>DPM APPROVAL:</b>		<input type="checkbox"/> <b>APPROVED:</b> <input type="checkbox"/> <b>DENIED</b> Base Pay Adjustment: Lump Sum:			<b>DATE:</b>
<b>AGENCY CONTACT NAME:</b>			<b>CONTACT PHONE NO:</b>		

**JUSTIFICATION:**

**PERFORMANCE CRITERIA (Check all that apply):**

- Employee is not serving the first 12 months of an original probationary period on the award effective date
- Employee received satisfactory performance evaluation within last 12 months
- Employee has not received any form of formal discipline in the past 24 months
- Employee is a supervisor and has completed required performance evaluations for all subordinates

**JUSTIFICATION NARRATIVE (Provide specifics and supporting documentation below):**

Merit DMC: Ms. Smith has demonstrated consistent superior performance, as supported by her performance reviews. She recently completed a project vital to the agency that involved months of work including working many additional hours.

## INSTRUCTIONS FOR DMC/DERA 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/DERA form with instructions for completion.

### Page 1

1. **Agency** -- Agency name or agency acronym
2. **Employee Name** – Employee last name, first name, and middle initial
3. **Employee ID#** -- Employee identification number
4. **Classification Title** – Employee’s full classification title (not working title); position title for unclassified employees
5. **Pay Schedule & Range** -- Numerical pay schedule and range
6. **Increase Amount** – Amount to be provided as a lump sum payment or the base pay increase amount
7. **Number of WRPS or Equivalent** - Calculate the number of Within Range Pay Steps (WRPS) or equivalent. For lump sum awards, calculate the number of WRPS by dividing the award by 2080, 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).
8. **Old Base Salary** – Employee’s base pay rate prior to the award
9. **New Base Salary** -- Employee’s base pay rate after the award (please include even if the award is a lump sum payment)
10. **Funding Source(s)** -- List source(s) of agency funds used to pay for the DMC/DERA, e.g., GPR, PRO, SEG, etc.
11. **Award Effective Date** – Show the first day of the pay period following the “effective date of receipt by agency” as the effective date.
12. **# of Prior WRPS in Same FY** – Show total WRPS of any previous DMC or DERA, whichever is applicable, in the same fiscal year.
13. **Broadband PUA in last 12 months** – Show any broadband appointment date(s) in last twelve months, even if pay did not change. Leave space blank if no appointment in past 12 months.
14. **Recommended By; Budget Approval; Division Administrator Approval** -- This yellow-shaded area may be modified consistent with the agency’s internal approval process.
15. **Agency Head Approval** -- Appointing Authority or designee (Deputy or Executive Assistant only): This signature line may not be modified and every DMC/DERA recommendation form must include this signature.
16. **DPM Approved/Denied** -- DPM completes
17. **Agency Contact Name** – Identify agency staff who will respond to DPM questions about the DMC recommendation and to whom DPM’s review results will be returned.

### Page 2

18. **Performance Criteria** – Check each box as applicable. All DMC/DERA recommendations must show that the employee has had a satisfactory performance evaluation in the past 12 months, is not serving the first 12 months of an original probationary period, and does not have any form of formal discipline in the past 24 months which was not subsequently overturned through a grievance process. If the employee is a supervisor, the employee must have completed required performance evaluations for all subordinates.
19. **Justification** -- Provide narrative supporting the merit, equity, or retention award. Documentation may be provided as an attachment.

**General**

- 20. Submit the completed and approved Justification form, along with the DMC/DERA Report spreadsheet form** to the DPM BCLR DMC-DERA Request mailbox at [DOA DPM BCLR DMC-DERA Requests@wisconsin.gov](mailto:DOA_DPM_BCLR_DMC-DERA_Requests@wisconsin.gov).  
Payroll Processing of DMC Lump Sums -- Prior to entering any lump sum amount into the payroll system, DOA Central Payroll requires documentation of DPM approval. As documentation, agencies may either: (1) Attach the *first page* of the DPM-approved (signed) Justification Form or (2) attach a DPM approval e-mail that includes the employee name(s) and lump sum amount(s).

Attachment #2

Discretionary Merit Compensation (DMC) / Discretionary Equity or Retention (DERA) Report Form																											
Use these samples as a guide; please use cell formatting in these samples for all DMC/DERA requests.																											
*PUA=Pay Upon Appointment. Include date of PUA only if employee received broadband PUA within 12 months of the DMC effective date. Not needed for DERA requests.																											
Agency	Employee ID	Employee Name	Adjusted Continuous Service Date	DMC/DERA Effective Date	Date of last broadband PUA*	Class Code	Classification Title	Pay Sched	Pay Range	Pay Rate Prior to Increase	Base Pay Award Amount	Pay Rate Following Increase	Lump Sum Award Amount	Award Type (Base pay or Lump sum)	Criteria Code 1-Merit, 2-Equity, 3-Retention	# of WRPS	GPR %	GPR, GPR %	PR %	PR, PR %	PR-F %	PR-S %	SEG %	SEG-F %	SEG-F, SEG-F %	SEG-S %	
Administration	100000000	Doe, Jane	1/25/1994	4/15/2018		161	Financial Specialist	2	11	19.33		19.33	1000.00	Lump Sum	1	1.02	50%									50%	
Administration	100099999	Worker, Joe	12/2/2002	4/15/2018		26273	Architect-Advanced	14	13	34.50	2.50	37.00		Base Pay	2	3.68	100%										
Field Control Notes																											
Column Heading      Column Formatting																											
Agency      Has to be picked from drpp down																											
Employee ID      All fields in Yellow are agency editable      Must be 9 characters																											
Employee Name      All fields in Yellow are agency editable      Must be alpha and greater than blank																											
Adjusted Service Effective Date      All fields in Yellow are agency editable      Must be date format and greater than 01/01/1900																											
Effective Date      Has to be picked from drpp down																											
Date of PUA      All fields in Yellow are agency editable																											
Class Code      All fields in Yellow are agency editable      Must be numeric and greater than 1																											
Class title      All fields in Yellow are agency editable      Must be alpha and greater than blank																											
Pay Schedule      All fields in Yellow are agency editable      Must be numeric and greater than or equal to 0																											
Pay Range      All fields in Yellow are agency editable      Must be numeric and greater than or equal to 0																											
Pay Rate Prior to Increase      All fields in Yellow are agency editable      Must be numeric and greater than 1																											
Base Pay Award Amount      All fields in Yellow are agency editable																											
Pay Rate Following Increase      Formula      Can not be edited																											
Lump Sum Award Amount      All fields in Yellow are agency editable																											
Award Type      Has to be picked from drpp down																											
Criteria      Has to be picked from drpp down																											
# of WRPS      if value is less than 0 or greater than 4 it will turn red																											
Funding Source(s) (GPR, PR, etc.)      Enter whole number as % for each funding source																											
Populating values outside of these field parameters will result in error messages.																											
This instructional box should be deleted prior to spreadsheet completion.																											

Attachment #3

**2017-2019 Compensation Plan DMC Eligibility Chart**  
**Eligibility by Pay Schedule or Range with Exceptions Noted**

Pay Schedule or Range	DMC WRPS fiscal year limit	Base Pay DMC	Lump Sum DMC	Exceptions Explanation
Classified 01	Not eligible	no	no	Not eligible
02	4WRPS	yes	yes	
03	4WRPS	yes	yes	
04	4WRPS	no	yes	Crafts Workers are ineligible for retention DMC.
05	4WRPS	yes	yes	
06	4WRPS	yes	yes	
07	4WRPS	yes	yes	
08	4WRPS	yes	yes	
09-75	4WRPS	yes	yes	Ineligible: Assistant Attorney General is ineligible
10	4WRPS	yes	yes	
11	4WRPS	yes	yes	
12	4WRPS	yes	yes	
13	4WRPS	yes	yes	
14	4WRPS	yes	yes	
15	4WRPS	yes	yes	
20	Not eligible	no	no	Ineligible attorneys
21	Not eligible	no	no	Ineligible attorneys
36	4 WRPS	yes	yes	
50	4WRPS	yes	yes	
63	Not eligible	no	no	Not covered by the Compensation Plan
70	4WRPS	yes	yes	
71-01	4WRPS	yes	yes	Ineligible: Assistant Attorney General (AAG) -Confidential, AAG-Management, AAG-Supervisor classifications are ineligible
81	4WRPS	yes	yes	
90	4WRPS	yes	mixed	Certain Schedule 90 employees are limited to base increase only (see list in section 550.050 under 2.). Employees serving fixed term are not eligible for DMC.
95	4WRPS	yes	no	Schedule 95 titles are limited to base increase only.
Unclassified other than 90 and 95	4WRPS	yes	yes	Includes other unclassified covered by the Compensation Plan except fixed term are not eligible for DMC.
Unclassified State Fair Park employees (other than the Director)	4WRPS	yes	yes	WRPS value is based on comparable classified classifications.