

SECTION J - PROVISIONS FOR ADMINISTERING DISCRETIONARY MERIT COMPENSATION (DMC) AND NON-BROADBAND RETENTION ADJUSTMENTS

1.00 Coverage

2.00 Discretionary Merit Compensation (DMC)

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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. 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.** DPM may also issue additional guidelines at any point during a fiscal year to establish further limitations regarding the award process, including limits to the number or amounts of awards, availability of the program, or processing timelines. Delegation may be removed at any time. Additional information may be required at the discretion of the DPM Administrator.

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- (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) Employees who received any form of formal discipline in the past 24 months which was not subsequently overturned through a grievance process.
 - (c) Supervisors who did not complete formal performance evaluations on all subordinate employees for whom performance evaluations are required.
 - (d) Any employee paid at or above the applicable pay range maximum may not receive a base-building DMC.
 - (e) Trainees eligible for scheduled trainee increases.
 - (f) 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.
 - (g) Positions specifically listed in s. 20.923(2) and (3), Wis. Stats.
 - (h) Represented positions in the public safety bargaining unit.
 - (i) 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 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
 - Deputy District Attorney
 - Deputy District Attorney Supervisor
 - (j) An employee that was eligible for broadband pay upon appointment within the previous twelve months should be considered for DMC only in exceptional circumstances.
 - (k) 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.

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- (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.
 5. Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position.

- (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 lump sum discretionary awards for classified employees provided under ss. 230.04 (19), Wis. Stats. Provisions of this Section (Section J) will apply to these awards.

- (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) DMC may be granted to eligible classified employees and eligible unclassified attorneys in any amount up to **4** WRPS per fiscal year for lump sum awards, or up to **2** WRPS per year for base pay awards, subject to the maximum of the pay range. 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 for lump sum awards, 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. The DMC **4** WRPS limit, per fiscal year, per employee, includes DMC granted by a single agency or by multiple agencies.

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- (c) Under exceptional circumstances, an appointing authority may submit a request to the DPM Administrator to exceed the **2 WRPS** base pay limit specified in (a) above, up to an additional 2 WRPS. 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, DMC may be granted to eligible employees covered under Section B, 3.05 in any amount up to **4 WRPS** for lump sum awards, or up to **2 WRPS** for base pay awards, subject to the maximum of the pay range. 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 Assistant Deputy Secretaries and 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
 16. Public Defender, Office of: State Public Defender
 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
 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

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- (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. The DMC 4 WRPS limit, per fiscal year, per employee, includes DMC granted by a single agency or by multiple agencies.
- (c) Under exceptional circumstances, an appointing authority may submit a written request to the DPM Administrator to exceed the 2 WRPS base pay limit specified in (a) above, up to an additional 2 WRPS. 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.

3.00 General Senior Executive Positions

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 2.00(10), above. DMC may not be effective retroactively.

4.00 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.