Wisconsin Human Resources Handbook

Chapter 552

Discretionary Equity or Retention Adjustment (DERA) Program Guidelines

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Sec. 552.010 Introduction

This handbook chapter provides general policy assistance and information to agencies processing base-building and lump sum Discretionary Equity or Retention Adjustments (DERA) for eligible classified and unclassified employees.

NOTE: The first effective date for DERA granted pursuant to the 2013-2015 Compensation Plan is June 30, 2013.

The DERA provisions contained in the Compensation Plan and this chapter provide guidance to appointing authorities for awarding increases to eligible employees covered by the Compensation Plan, to address equity or retention needs. (See the criteria descriptions on attached Justification for DERA form (Attachment 1).)

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

Generally, DERA may be granted to any broadbanded employee covered by Section I of the Compensation Plan, except attorneys covered by s. 230.12(10) to (12), Wis. Stats., or Section C, 3.00, of the Compensation Plan. DERA adjustments may be granted as a base pay increase, a lump sum payment, or a combination of both. Detailed information about eligibility and limits of the DERA amount are provided within this chapter.

Basic DERA Information:

- DERA amounts are normally limited to four within range pay steps (WRPS) per fiscal year. The specific details regarding limitations are provided later in this chapter.
- All base pay DERA increases are subject to the maximum of the employee's pay range.
- All lump sum DERA must be converted to a base pay equivalent by dividing the lump sum amount by 2088; this will ensure the fiscal year WRPS limitation is not exceeded.
- The granting, denial, amount, and type (base building or lump sum) of DERA are not grievable.
- Employees may self-nominate for DERA no more than once per fiscal year.

This chapter is based on provisions contained in Section I of the current Compensation Plan, which may be found in the Reference Center on the OSER website at http://oser.state.wi.us/, or at the following hyperlink:
Office Of State Employment Relations - 2013 - 2015 Compensation Plan.

Sec. 552.020 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 director, in either the rules of the director or the Compensation Plan."
   s. 230.12(1)(a)3, Wis. Stats.

Sec. 552.030 Eligibility and Coverage

All classified employees in pay status assigned to a classification in a **broadbanded pay schedule,** whose pay administration is covered by the Compensation Plan, are eligible to be considered for DERA except the following employees, who are considered **ineligible** to receive DERA:

1. Any employee whose job performance in the previous 12 months was rated below satisfactory.

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

3. Trainees eligible for scheduled trainee increases.

4. 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 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

Sec. 552.040 DERA Amounts

An eligible employee may receive more than one DERA 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) during a fiscal year may not exceed an increase amount equal to the four WRPS limit, except as provided in Sec 552.080. The WRPS per fiscal year per employee limit includes any DERA granted by a single agency or by multiple agencies. It does ***not*** include adjustments granted under Discretionary Merit Compensation (DMC) provisions.

All base pay DERA are subject to the maximum of the applicable pay range. All lump sum DERA must be converted to a base pay equivalent by dividing the lump sum amount by 2088 to ensure the fiscal year WRPS limitation is not exceeded.

Sec. 552.050 DERA Effective Dates

DERA may be granted at any time during the fiscal year in accordance with approved agency DERA policies. The effective date of base building or lump sum DERA is the beginning of the first pay period on or following the date of effective receipt of the recommendation, except that no adjustment may be effective prior to June 30, 2013. If multiple base pay adjustments have identical effective dates, the DERA will be applied to the employee's base pay rate using the guidelines outlined in Section 552.060 of this chapter. No DERA 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. 552.060 Multiple Base Pay Adjustments Effective on the Same Date

Pursuant to Section I, 4.01 of the 2013-2015 Compensation Plan, if multiple base pay adjustments have the same effective date, DERA will be applied to an employee's base pay according to the order of adjustments provided below.

1. Probationary trial period adjustment
2. Reallocation regrade adjustment
3. Reclassification regrade adjustment
4. Progression adjustment
5. Promotion upward movement adjustment
6. Career executive voluntary movement to a higher classification
7. Demotion downward movement adjustment
8. Career executive reassignment or voluntary movement to a lower classification
9. Transfer lateral movement adjustment
10. Career executive assignment or voluntary movement to a position allocated to a classification in the same pay range
11. Reinstatement
12. Restoration
13. Compensation Plan adjustments pursuant to s. 230.12, Wis. Stats.
14. Compensation Plan schedule adjustments under s. 230.12, Wis. Stats.
15. Establishment of a raised minimum rate
16. **Discretionary Equity or Retention Adjustment (DERA)**
17. Discretionary Merit Compensation (DMC)
18. Original Appointment.

NOTE: DERA may ***not*** be included when calculating pay on reinstatement or restoration.

Sec. 552.070 DERA Limitation Exceptions

The basic limitations on the number of WRPS and the type (base pay adjustment or lump sum payment) are provided in Sections 552.040 of this chapter. Under exceptional circumstances, an appointing authority may submit a request to the OSER Director to exceed the specified WRPS limit. 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 DERA outlined in this chapter.

OSER approval is ***required*** for all DERA recommended by an agency, unless delegation is granted in accordance with section 552.110. OSER'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. 552.080 Agency DERA Administrative Procedures

DERA provisions allow appointing authorities to provide monetary recognition to eligible employees to address equity and retention issues. They also allow eligible employees to self-nominate for DERA no more than once each fiscal year.

Prior to recommending DERA, agencies must develop DERA administrative procedures which must be reviewed and approved by OSER's Division of Compensation and Labor Relations. Administrative procedures are defined as written protocols that detail how employees may qualify for and receive DERA. No agency may recommend DERA until its administrative procedures have been reviewed and approved by OSER.

All DERA administrative procedures must explain the agency DERA recommendation and approval process. At a minimum, the administrative procedure section should include: (1) what office or individual within the agency constitutes DERA effective receipt (as defined in Section I., 3.00, of the Compensation Plan), and (2) the process to be followed by employees or nominating supervisors and administrators to submit DERA recommendations for approval, including timing of submittals. Effective receipt is based on when a request is received, not signed. OSER recommends that agency administrative procedures also include (1) a list of criteria that justify DERA (or reference the core criteria on the Justification for DERA form); (2) an explanation of any funding limitations; and (3) details regarding fiscal year award maximums.

Agencies are reminded to distribute copies of agency DERA administrative procedures to all eligible employees.

> **NOTE:** Agencies wishing to amend their DERA administrative procedures should submit updated copies for review and approval to OSER, Bureau of Compensation, 101 East Wilson Street, 4th Floor, Madison, WI 53703. Contact the Bureau of Compensation for information on electronic submittal.

Sec. 552.090 Agency Procedure for Obtaining OSER Approval of DERA Recommendations

OSER approval is ***required*** for all DERA recommendations, unless delegation is granted in accordance with section 552.110, of this chapter. Except in unique situations (such as requests to exceed the WRPS limit), please limit the criteria for the DERA to only one of the criteria available. The information listed below is necessary for each DERA recommended. The complete package of required DERA items described below must be attached and sent electronically to the OSER designated DMC/DERA mailbox for each DERA recommendation: OSER DCLR DMC-DERA Requests@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.***

1. **Required –** When submitting a DERA recommendation to OSER, agencies must complete the DERA Justification form (OSER-DCLR-224, sample shown in Attachment 1) filling in all areas of the form including the reason for the DERA, a description of criteria met that are applicable to the DERA recommendation, the DERA type (base building or lump sum), and DERA amount to be granted. The form must also include the applicable agency approvals (including appointing authority or designee signature).

2. **Required –** Attach the formatted DMC/DERA Report Form spreadsheet (OSER-DCLR-221, sample shown in Attachment 2) completing all areas listed below for each DERA approval request. If multiple DERA recommendations are included in the same e-mail, all entries may be shown on a single Excel spreadsheet.
    a. Agency name
    b. Employee name (Last name, First Name)
    c. Adjusted Continuous Service Date (mm/dd/yyyy)
    d. DERA Effective Date (mm/dd/yyyy)
    e. Employee Classification
    f. Pay Schedule
    g. Pay Range
    h. Base Rate prior to DERA
    i. DERA base increase amount
    j. Base Rate after DERA
    k. DERA lump sum amount
    l. DERA award type (base or lump sum)
    m. DERA criteria code (2 for equity, 3 for retention) (This key is also included on the form.)
    n. Number of Within Range Pay Steps

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

4. **Retention DERA requests -** OSER will respond to retention DERA recommendations within one work day of receipt of the request.

Sec. 552.100 Recordkeeping

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

Sec. 550.110 DERA Approval Delegation

Per Section I, 6.00(5) of the 2013-2015 Compensation Plan, all DERA must be approved by OSER prior to being awarded unless delegation is granted to the appointing authority. If OSER delegates authority, an agency will still be required to send the completed DMC/DERA excel report form to the designated DERA mailbox at OSER DCLR DMC-DERA Requests@wisconsin.gov. The agency must also retain a copy of all records pertaining to the DERA request (whether approved or denied) for a period of three years (one biennium plus one year) and furnish those materials upon OSER's request. DERA records to be retained include all DERA nominations, DERA approvals and denials, DERA related documents sent to and received from OSER, and documents that would have been sent to OSER if delegation had not been granted.

DERA approval delegation may be rescinded at any time.

Sec. 552.120 Referral of Questions

Questions regarding information included in this chapter may be directed to the OSER Bureau of Compensation.

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

DOA Central Payroll:
Sandy Karnovsky.....(608) 264-9571

UW Service Center:
Payroll Processing .....(608) 262-3558

Sec. 552.130 Administrative Information

This chapter provides implementation and administration information for the Discretionary Equity or Retention Adjustment (DERA) program, created in the 2013-2015 Compensation Plan.

Attachment 1

JUSTIFICATION FOR DISCRETIONARY EQUITY OR RETENTION ADJUSTMENT (DERA)
SAMPLE FORM

AGENCY:	EMPLOYEE NAME:	CLASSIFICATION TITLE:	PAY SCHEDULE & RANGE:
DOA	Smith, Joe R.	Accountant-Senior	07-03

CRITERIA (select only one criterion)	JUSTIFICATION	INCREASE AMOUNT	NUMBER OF WRPS OR EQUIVALENT
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 state service (provide comparison data for equity; at a minimum, the equity comparison should be at the agency wide level); 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.	Provide justification on page 2 of this document.		
Retention: The employer is aware that the employee is actively seeking other employment, or the employee actually ***has a job offer in hand*** and the resultant 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.	Provide justification on page 2 of this document.	$2.672	4.00

DERA RECOMMENDATION

Old Base Salary	New Base Salary	Funding Source(s):	DERA Effective Date:	# Prior WRPS in Same FY:
$26.000	$28.672	GPR	07-28-2013	None

Recommended By (Supervisor):	Date:	Budget Approval (Funding approval only):	Date:	Division Administrator Approval:	Date:

AGENCY HEAD APPROVAL (signature):	_____ APPROVED:	_____ DENIED	DATE:
	Base Pay Adjustment: _____	Lump Sum: _____	

OSER APPROVAL:	_____ APPROVED:	_____ DENIED	DATE:
	Base Pay Adjustment: _____	Lump Sum: _____	

AGENCY CONTACT NAME:	CONTACT PHONE NO:

JUSTIFICATION:

CRITERIA (Check all that apply):
____ Pay Equity _____ Employee received performance evaluation within last 12 months _____ Employee is a supervisor and has completed required performance evaluations for all subordinates
___X__ Retention __X__ Employee received performance evaluation within last 12 months _____ Employee is a supervisor and has completed required performance evaluations for all subordinates
JUSTIFICATION NARRATIVE (Provide specifics and supporting documentation below):

Retention DERA: Mr. Smith has received a job offer with a pay increase above his current rate of pay. DOA wishes to retain this employee by offering a 4 WRPS base pay adjustment.

INSTRUCTIONS FOR 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 DERA 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 broadband pay schedule and range
5. **Increase Amount** –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 DERA (base and or lump sum) awarded. For lump sum awards, calculate the 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 DERA
8. **New Base Salary -** Employee's base pay rate after the DERA
9. **Funding Sources** - List source(s) of agency funds used to pay for DERA, e.g., GPR, PRO, SEG, etc.
10. **DERA Effective Date** – Show the first day of the pay period following the "effective date of receipt by agency" as the DERA effective date.
11. **# of Prior WRPS in Same FY** – Show total WRPS of any previous DERA in the same fiscal year.
12. **Recommended By; Budget Approval; Division Administrator Approval** - This yellow shaded area may be modified consistent with the agency's internal approval process. **Agency Head Approved/Denied** - Appointing Authority or designee (Deputy or Executive Assistant only): This signature line may not be modified and every DERA recommendation form must include this signature.
13. **OSER Approved/Denied -** OSER completes
14. **Agency Contact Name** – Identify agency staff who will respond to OSER questions about the DERA recommendation and to whom OSER's review results will be returned.

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15. **Criteria -** Place an X next to applicable DERA criteria. **Individual DERA requests should be limited to <u>either</u> equity or retention.** All 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 required performance evaluations for all subordinates (check boxes to confirm these statements).
16. **Justification** - Provide specifics and supporting documentation as needed. Documentation may be provided as an attachment.
17. **Submit the completed and approved DERA Justification form, along with the DMC/DERA Report spreadsheet form OSER-DCLR-221**, to the DERA Request mailbox at OSER DCLR DMC-DERA Requests@wisconsin.gov.
18. **Payroll Processing of DERA Lump Sums (non-UW agencies) -** Prior to entering the DERA lump sum amount into the payroll system, the DOA Central Payroll system requires documentation of OSER approval. As documentation, agencies may either: (1) Attach the ***first page*** of the OSER-approved (signed) DERA Justification Form (OSER-DCLR-224), or (2) attach an OSER DERA approval e-mail that includes the employee name(s) and lump sum amount(s).

Discretionary Merit Compensation (DMC) / Discretionary Equity or Retention Adjustment (DERA) Report Form

SAMPLE FORM

Department	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
Administration	Smith, Joe R.	5/20/2003	7/14/2013		264	Accountant-Senior	7	3	26.000	2.672	28.672		Base Pay	3	4.00
Administration	Doe, James	4/12/1998	7/28/2013		103	Financial Specialist 3	2	12	18.338	1.000	19.338		Base Pay	2	2.02

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.

OSER-DCLR-221 (revised 08/2013)

WI HR Handbook Chapters 550 and 552

Attachment 3

2013-2015 Compensation Plan DERA Eligibility Chart

Eligibility by Pay Schedule or Range with Exceptions Noted

Pay Schedule or Range	DERA WRPS fiscal year limit	Eligible Criteria	Base Pay DERA	Lump Sum DERA	Exceptions Explanation
Classified 01	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
02	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
03	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
04	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
05	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
06	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
07	4WRPS	Equity/Retention	yes	yes	
08	4WRPS	Equity/Retention	yes	yes	
09-75	4WRPS	Equity/Retention	yes	yes	
09-76	Not eligible	none	none	none	Ineligible attorneys
10	4WRPS	Equity/Retention	yes	yes	
11	4WRPS	Equity/Retention	yes	yes	
12 broadband	4WRPS	Equity/Retention	yes	yes	
12 nonbroadband	Not eligible	none	none	none	Only broadbanded Schedule 12 are eligible
13	4WRPS	Equity/Retention	yes	yes	
14	4WRPS	Equity/Retention	yes	yes	
15	4WRPS	Equity/Retention	yes	yes	
20	Not eligible	none	none	none	Ineligible attorneys
21	Not eligible	none	none	none	Ineligible attorneys
36	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
50	4WRPS	Equity/Retention	yes	yes	
63	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
70	4WRPS	Equity/Retention	yes	yes	
71-01	4WRPS	Equity/Retention	yes	yes	
71-02	Not eligible	none	none	none	Ineligible attorneys
81	4WRPS	Equity/Retention	yes	yes	
90	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
95	Not eligible	none	none	none	Ineligible: not a broadband pay schedule
One unclassified attorney position established under s. 569.015(2) Wis. Stats., covered by Section C of the Compensation Plan.	4 WRPS	Equity/Retention	yes	yes	
Unclassified employees covered by Section B of the Comp Plan	Not eligible	none	none	none	Not eligible