

State of Wisconsin

DEPARTMENT OF EMPLOYMENT RELATIONS

- COMPENSATION AND LABOR RELATIONS BULLETIN -

Date: November 8, 2000

Locator No: CC/POL-61

Subject: Discretionary Compensation Award (DCA) Criteria Information and Report Modifications (including Pay Upon Appointment Reports) for Broadbanded Represented and Nonrepresented Employees

This bulletin replaces CC/POL 46 and CC/PP-151, and provides general information regarding agency Discretionary Compensation Award (DCA) Criteria, revises existing DCA report requirements, and establishes quarterly agency Pay Upon Appointment (PUA) reporting procedures for represented and nonrepresented employees in positions assigned to broadbanded pay ranges.

SECTION I. DISCRETIONARY COMPENSATION AWARD (DCA) INFORMATION

A. Agency Discretionary Compensation Award (DCA) Criteria

1. The Discretionary Compensation Award (DCA) provides appointing authorities the discretion to grant economic recognition to employees based on criteria developed as part of the collective bargaining process (for represented employees) or by agency human resources management (for nonrepresented employees). According to applicable collective bargaining agreements [Wisconsin Science Professionals (WSP), Wisconsin Professional Employees Council (WPEC), Wisconsin Physician and Dentist Association (WPDA), and the Wisconsin State Attorneys Association (WSAA)] and the Compensation Plan for nonrepresented employees, agencies may only grant DCAs in accordance with this established criteria.
2. Agency DCA criteria is defined as written protocol that details how represented and nonrepresented employees in positions assigned to broadbanded pay ranges may qualify for and receive a DCA. The Department of Employment Relations (DER) recommends all agency DCA criteria include a list of definitive reasons that justify the distribution of a DCA, explain any funding limitations, and describe any fiscal year award maximums.

All DCA criteria must include an administrative procedure section that accurately captures and explains an agency's recommendation and approval process. **At a minimum**, the administrative procedure section should include references to (a) what constitutes DCA effective receipt, (b) the nominating supervisor or division administrator DCA recommendation and (c) DCA Advisory Committee review (where applicable). Examples of acceptable administrative procedure statements have been provided in **Attachment A** of this bulletin.

In accordance with applicable collective bargaining agreements (WSP, WPEC, WPDA, and WSAA) and Section J of the Compensation Plan, agencies are reminded to distribute copies of agency DCA criteria to **all represented and nonrepresented employees** in classifications assigned to pay schedules 07, 09, 10, 15, 50, 56, 70, 71 and 81 covered by the broadband pay provisions.

3. Written criteria containing agency administrative procedures used to grant DCAs must be **on file and approved** by the DER Division of Compensation and Labor Relations (DCLR) prior to granting DCAs to agency represented or nonrepresented employees. No agency may grant DCAs until the administrative procedures have been reviewed and approved. Copies of agency DCA criteria for review must be submitted to Ms. Dana Denny, DER, Division of Compensation and Labor Relations, 345 West Washington Avenue, Madison, WI 53703. Electronic copies of DCA criteria will also be accepted at the following email address: Dana.Denny@der.state.wi.us.

B. DCA Effective Date Policy

DCAs may be granted at any time during the fiscal year. The effective date of the adjustment will be the beginning of the first pay period following effective receipt of the DCA recommendation. If multiple pay adjustments have the same effective date, DCAs will be applied to an employee's base pay rate after all other adjustments included under ER 29.04(13), Wis. Adm. Code.

C. Revised Agency DCA Reporting Requirements

1. Each agency must provide the following information to the DER Division of Compensation and Labor Relations (DCLR) that details all Discretionary Compensation Awards provided to represented and nonrepresented employees quarterly, as listed below.
 - a. Agency name and number
 - b. Employee name
 - c. Employee classification title
 - d. Amount of DCA
 - e. Employee salary prior to DCA
 - f. Employee salary after DCA
 - g. Employee seniority date
 - h. Effective date of the award (if a lump sum award was made, the effective date is that upon which the Discretionary Compensation Payment was provided)
 - i. Name of nominating supervisor/division administrator/agency secretary
 - j. Applicable DCA criteria met
 - k. A copy of the DCA recommendation/justification supporting the employee DCA.
2. Previously, agencies were required to provide quarterly DCA reports for represented and nonrepresented employees using **Form #15-revised** and/or **Form #16-revised**. As of November 1, 2000, these forms will no longer be used for reporting purposes. Agencies on the Department of Administration (DOA) Central Payroll system are not required to provide items a. through h. on the list above, as this data will be forwarded from DOA Central Payroll on a biweekly basis to DCLR directly. Due to the limitations of the data provided by Central Payroll, however, agencies are required to provide DCLR with items i. through k., above, using **Form #17** for represented employees and **Form #18** for nonrepresented employees. Both forms are provided with this bulletin as **Attachment B**, and electronic copies are available upon request.

NOTE: UW System and manual payroll agencies not on the DOA Central Payroll system must submit **Form #19** for represented employees and **Form #20** for nonrepresented employees that contains items a. through k. on a quarterly basis. Both forms are provided with this bulletin as **Attachment C**, and electronic copies are available upon request. According to s. 230.12(7m), Legislative Service Agencies and the University of Wisconsin System are also required to submit the attached Pay Adjustment Report 4B (for represented employees) and Pay Adjustment Report 4C (for nonrepresented employees) to the Department of Administration at the time DCAs are submitted for payroll processing. Both forms are provided with this bulletin as **Attachment D**, and electronic copies are available upon request.

3. Agency DCA Quarterly Report due dates remaining for the 1999-2001 biennium are:

1/15/01 for the period 10/1/00-12/31/00

4/15/01 for the period 1/1/01-3/31/01

7/15/01 for the period 4/1/01-6/30/01

4. **It is extremely important that agencies submit timely DCA reports to DER.** According to the various collective bargaining agreements that contain broadband compensation provisions for represented employees (WSP, WPEC, WPDA, and WSAA), DER is required to submit comprehensive reports to the union each quarter detailing how the Discretionary Compensation Adjustment provisions are being implemented by agencies. Agencies consistently late in providing the requested reports may have their DCA delegation rescinded.

SECTION II. PAY UPON APPOINTMENT (PUA) REPORT INFORMATION

A. Agency Pay Upon Appointment Reporting Requirements

1. A major component of the state's broadbanding compensation program is the flexible pay upon appointment provisions agencies may use to determine hiring rates for candidates in positions assigned to broadbanded pay ranges. To maintain better records on how pay upon appointment compensation flexibility is being used statewide, each agency is required to provide the following data quarterly for represented and nonrepresented employees:
- a. Agency name and number
 - b. Employee name
 - c. Employee classification title
 - d. Salary prior to adjustment (excluding Pay on Original Appointment)
 - e. Salary after adjustment
 - f. Percentage change (excluding Pay on Original Appointment)
 - g. Employee seniority date
 - h. Effective date of the appointment

Agencies on the Department of Administration (DOA) Central Payroll system are not required to provide items a. through h. This data will be forwarded biweekly from DOA Central Payroll system to DCLR directly. The University of Wisconsin System and manual payroll agencies must submit this pay upon appointment data quarterly using **Form #21** for represented employees and **Form #22** for nonrepresented

employees. Both forms can be found as **Attachment E** to this bulletin. Electronic copies of both forms are available upon request.

2. Agency Pay Upon Appointment Quarterly Report due dates remaining for the 1999-2001 biennium are:

1/15/01 for the period 10/1/00-12/31/00

4/15/01 for the period 1/1/01-3/31/01

7/15/01 for the period 4/1/01-6/30/01

3. **It is extremely important that agencies submit timely Pay Upon Appointment Reports to DER.** According to the various collective bargaining agreements that contain broadband compensation provisions for represented employees (WSP, WPEC, WPDA, and WSAA), DER is required to submit comprehensive reports to the union each quarter detailing how the pay upon appointment provisions are being implemented by agencies.

SECTION III. REFERRAL OF QUESTIONS

Questions regarding information included in this bulletin may be addressed to **Dana Denny**, Division of Compensation and Labor Relations, at (608) 267-0342 (voice), (608) 267-1020 (fax), Dana.Denny@der.state.wi.us (email); or **Lynn Maulbetsch**, Division of Compensation and Labor Relations, (608) 267-5164 (voice); (608) 267-1020 (fax), or Lynn.Maulbetsch@der.state.wi.us (email).

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

JAP:DD

- Attachment A: Examples of acceptable DCA administrative procedure statements
- Attachment B: Discretionary Compensation Award Form #17 and Form #18
- Attachment C: Discretionary Compensation Award Form #19 and Form #20
- Attachment D: Pay Adjustment Reports 4B and 4C
- Attachment E: Pay Upon Appointment Form #21 and Form #22

Administrative Procedure Example 1

- The Division Administrator emails Discretionary Compensation Adjustment Nomination form, which substantiates the recommendation to the Human Resource Services Bureau.
- The Human Resource Services Bureau verifies eligibility of nominee and determines if the DCA criterion was met.
- (If applicable) The DCA Advisory Group will independently review the DCA recommendations and provide advice as to whether the DCA criteria were met.
- The Department Secretary approves, modifies or denies the DCA recommendation.

Administrative Procedure Example 2

- The Administrator forwards a completed DCA Justification form to the agency Human Resources Director, who then forwards the recommendation to agency DCA Advisory Group members.
- (If applicable) The DCA Advisory Group convenes regularly at agreed-upon times coordinated by the Advisory Group Chair. The Chair will provide a written advice from the Advisory Group to the Human Resources Director once the group has reviewed the recommendation.
- The Human Resources Director then submits the DCA recommendation to the Department Secretary.
- The Department Secretary will review the justification materials and determine whether to approve or deny the DCA request.
- If the DCA request is approved, the Human Resources Director will:
 - (1) Develop an acknowledgment letter for Secretary signature that informs the employee of the approved award;
 - (2) Notify payroll to process the award; and
 - (3) File a copy of the acknowledgment letter in the employee's personnel file.
- If the DCA request is denied, the Human Resources Director will notify the Division Administrator of the denial.

Administrative Procedure Example 3

The employee's supervisor must initiate a DCA nomination. This nomination must address the criteria under which the employee will receive the award, and whether the award will be base building or lump sum. The nomination will be submitted to the DCA Advisory Committee Chair for an independent review (if applicable). Once the DCA Advisory Committee review has been performed, the nomination must be submitted directly to the appropriate agency Division Administrator. Once the DCA has been approved, notification will be provided to the agency payroll supervisor.

State of Wisconsin
 Department of Employment Relations
 Division of Compensation and Labor Relations

Form 17

DISCRETIONARY COMPENSATION AWARDS (DCA) - Schedules 07, 09, 10, 15
 Quarterly Report for Agencies on DOA Central Payroll ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
 2__ (April-June)
 3__ (July-Sept)
 4__ (Oct-Dec)

Agency Number _____

<u>Employee Name</u>	<u>Employee Classification</u>	<u>Pay Schedule & Range</u>	DCA Criteria Met	<u>Name of Nominating Supervisor/ Division Administrator</u>

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703

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Form 18

DISCRETIONARY COMPENSATION AWARDS (DCA) - Schedules 50, 56, 70, 71, 81
 Quarterly Report for Agencies on DOA Central Payroll ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
 2__ (April-June)
 3__ (July-Sept)
 4__ (Oct-Dec)

Agency Number _____

<u>Employee Name</u>	<u>Employee Classification</u>	<u>Pay Schedule & Range</u>	<u>DCA Criteria Met</u>	<u>Name of Nominating Supervisor/ Division Administrator</u>

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703

State of Wisconsin
 Department of Employment Relations
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Form 19

DISCRETIONARY COMPENSATION AWARDS (DCA) - Schedules 07, 09, 10, 15
 Quarterly Report for UW System and Manual Payroll Agencies ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
 2__ (April-June)
 3__ (July-Sept)
 4__ (Oct-Dec)

Agency Number _____

1. Recipient Name 2. Classification, and 3. DCA Criteria Met	Pay Schedule & Range	Employment Type	Employee Adjusted Service Date	DCA Effective Date	Pre - DCA Base Hourly Rate	DCA Amount Base Building and/or Lump sum (include base pay equivalent)	Post - DCA Base Hourly Rate

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703

State of Wisconsin
 Department of Employment Relations
 Division of Compensation and Labor Relations

Form 20

DISCRETIONARY COMPENSATION AWARDS (DCA) - Schedules 50, 56, 70, 71, 81
 Quarterly Report for UW System and Manual Payroll Agencies ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
 2__ (April-June)
 3__ (July-Sept)
 4__ (Oct-Dec)

Agency Number _____

1. Recipient Name 2. Classification, and 3. DCA Criteria Met	Pay Schedule & Range	Employment Type	Employee Adjusted Service Date	DCA Effective Date	Pre- DCA Base Hourly Rate	DCA Amount Base Building and/or Lump sum (include base pay equivalent)	Post- DCA Base Hourly Rate

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703

State of Wisconsin
 Department of Employment Relations
 Division of Compensation & Labor Relations

Discretionary Compensation Award Adjustments – Form 4B

Form 4B

PAY ADJUSTMENT REPORT 4B - Schedules 07, 09, 10, 15

For Use by UW System and Legislative Service Agencies Only

Agency Name _____ Agency Number _____

1. Recipient Name 2. Employee Classification, and 3. <u>DCA Criteria Met</u>	<u>Pay Range</u>	<u>Employment Type</u>	<u>DCA Effective Date</u>	Pre - DCA Base Hourly <u>Rate</u>	DCA Amount <u>Base Building and/or Lump</u> <u>sum</u> (include base pay equivalent)	Post - DCA Base Hourly <u>Rate</u>

Prepared By: _____ Title _____ Date _____

Send original to: Department of Administration, Central Payroll, 9th Floor, 101 E. Wilson Street, Madison, WI 53703

Send Copies to: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703
 State Budget Office, Department of Administration, 8th Floor, 101 E. Wilson Street, Madison, WI 53703

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 Division of Compensation & Labor Relations

Discretionary Compensation Award Adjustments – Form 4C

Form 4C

PAY ADJUSTMENT REPORT 4C - Schedules 50, 56, 70, 71, 81

For Use by UW System and Legislative Service Agencies Only

1. Recipient Name 2. Employee Classification, and 3. DCA Criteria Met	<u>Pay Range</u>	<u>Employment Type</u>	<u>DCA Effective Date</u>	<u>Pre - DCA Base Hourly Rate</u>	<u>DCA Amount Base Building and/or Lump sum</u> (include base pay equivalent)	<u>Post - DCA Base Hourly Rate</u>

Prepared By: _____ Title _____ Date _____

Send original to: Department of Administration, Central Payroll, 9th Floor, 101 E. Wilson Street, Madison, WI 53703

Send Copies to: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703
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Form 21

PAY UPON APPOINTMENT (PUA) FLEXIBILITY REPORT - Schedules 07, 09, 10, 15
 Quarterly Report for UW System and Manual Payroll Agencies ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
 2__ (April-June)
 3__ (July-Sept)
 4__ (Oct-Dec)

Agency Number _____

<u>Employee Name</u>	<u>Employee Classification</u>	<u>Pay Schedule & Range</u>	<u>Employment Type</u>	<u>Employee Adjusted Service Date</u>	<u>Appt. Effective Date</u>	<u>Hourly Salary Prior to Appointment</u>	<u>Hourly Salary Following Appointment</u>

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703

State of Wisconsin
Department of Employment Relations
Division of Compensation and Labor Relations

Form 22

PAY UPON APPOINTMENT (PUA) FLEXIBILITY REPORT - Schedules 50, 56, 70, 71, 81
Quarterly Report for UW System and Manual Payroll Agencies ONLY

Agency Name _____

Report for Quarter: 1__ (Jan-Mar)
2__ (April-June)
3__ (July-Sept)
4__ (Oct-Dec)

Agency Number _____

<u>Employee Name</u>	<u>Employee Classification</u>	<u>Pay Schedule & Range</u>	<u>Employment Type</u>	<u>Employee Adjusted Service Date</u>	<u>Appt. Effective Date</u>	<u>Hourly Salary Prior to Appointment</u>	<u>Hourly Salary Following Appointment</u>

Prepared By: _____ Title _____ Date _____

Send To: Dana Denny, DER, Compensation & Labor Relations, 345 West Washington Avenue, Madison, WI 53703