

UMW 2019 Compensation FAQs

2019 Compensation Changes Authorized by the 2019 Appropriation Act

Employee Eligibility

1. Who is subject to the June 10, 2019, 2.75% base salary adjustment?

All classified employees who were employed in salaried positions as of March 10, 2019, and who received an overall rating of “Contributor” or “Extraordinary Contributor” (or equivalent) on their last performance evaluation or more recent interim evaluation are eligible to receive the 2.75% base salary adjustment effective June 10, 2019.

All wage employees who were employed in positions as of March 10, 2019 and remaining employed on June 10, 2019 will receive the 2.75% pay increase effective June 10, 2019.

2. Who is subject to the June 10, 2019, 3.00% A/P faculty base salary adjustment?

All A/P faculty who were employed in salaried positions as of March 10, 2019, and who received an overall rating of “Contributor” or “Extraordinary Contributor” (or equivalent) on their last performance evaluation or more recent interim evaluation are eligible to receive the 3.00% faculty base salary adjustment effective June 10, 2019.

3. Who is subject to the August 16, 2019, 3.00% faculty base salary adjustment?

All full-time teaching faculty who were employed in salaried positions as of March 10, 2019, and who received an overall rating of “Contributor” or “Extraordinary Contributor” (or equivalent) on their last performance evaluation or more recent interim evaluation are eligible to receive the 3.00% faculty base salary adjustment effective August 16, 2019.

4. Who is NOT subject to the June 10, 2019, 2.75% general or the 3.00% A/P faculty base salary adjustment?

Employees who were hired or rehired after March 10, 2019 and/or employees who received an overall rating of “Below Contributor” (or equivalent) on their

last performance evaluation or more recent interim evaluation are not eligible to receive the 2.75% general increase or the 3.00% A/P faulty salary adjustments effective June 10, 2019.

5. Why was March 10, 2019, selected as the cutoff employment date for the 2.75% and the 3.00% base salary adjustments?

The base salary adjustments are performance dependent increases. A three-month period provides a reasonable time for an agency to assess the probationary progress of a new employee, therefore three months employment is required to be eligible for the performance driven increase.

6. Who is eligible for the June 10, 2019, additional merit based increases?

All classified employees with 3 or more years of continuous state service on June 10, 2019 who received an overall rating of "Contributor" or "Extraordinary Contributor" (or equivalent) on their last performance evaluation or more recent interim evaluation are eligible to receive an additional 2.25% merit increase effective June 10, 2019.

7. How do I know if an employee has three years or more of continuous state service on June 10, 2019?

Employees with a state begin date on or before June 10, 2016 will have three years or greater continuous state service on June 10, 2019. Continuous state service is a period of service without a separation or break. [See this reference](#) if you have questions on what actions constitute a separation or break in service and what actions may not.

8. Will employee performance ratings affect eligibility for the June 10, 2019 salary adjustments?

Yes. The June 10, 2019 salary adjustments are performance-driven. Employees must have received an overall rating of "Contributor" or "Extraordinary Contributor" (or equivalent) on their latest performance evaluation or more recent interim evaluation in order to be eligible to receive a salary adjustment.

9. Can written notices under the Standards of Conduct policy be used to deny any of the components of the June 10, 2019 salary adjustment?

No. Written Notices were not included in the eligibility criteria approved by the Governor and General Assembly. For this reason, and because written notices are issued for a wide range of infractions, they should not be used exclusively to deny the increase – an interim performance evaluation is also needed. If an employee's

performance has declined to the extent that it is at the “Below Contributor” level, the supervisor should conduct an interim performance evaluation (note: as always, a written notice may be considered as documentation of performance during the interim performance evaluation process).

10. Are employees whose ratings for the 2018 performance evaluation were determined to be “On Leave” eligible for the June 10, 2019 salary adjustments?

Yes. A rating of “On Leave” will not automatically disqualify an employee from receiving the June 10, 2019 salary adjustments if the employee is in a pay active status on the increase date, and the employee’s agency certifies that the employee meets the requirement for satisfactory performance.

11. How should agencies treat employees whose performance has changed significantly since their 2018 evaluation so that their eligibility for the June 10, 2019 salary increases cannot reasonably be based on that evaluation?

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for any employees who receive the increase or unsatisfactory performance for employees who are denied an increase. This documentation could include: interim evaluations; probationary progress review forms; and notice of sub-standard performance forms. Agencies should ensure that all employees are aware of their current performance rating and its impact on these salary increases.

12. Some recently hired employees will meet the employment date for eligibility for the 2.75% or 3.00% A/P faculty base salary adjustment, but will not have a 2018 performance evaluation rating - how should the agency document that the employee meets the required performance level?

Agencies are responsible for ensuring that sufficient documentation exists to support satisfactory performance for newly-hired and other employees who have no 2018 performance cycle rating. This documentation could include: interim evaluations and probationary progress review forms.

13. Are employees whose positions are funded entirely by federal grants or other special funding sources subject to the June 10, 2019 salary changes?

Yes. As with other general, performance, or across-the-board increases that are funded in the state budget, all of the June 10, 2019 increases apply to employees whose positions are funded by grants or other special funding sources in addition to those funded by the General Fund.

14. For employees separating effective June 10, 2019, will the June 10, 2019 salary adjustments apply to their leave payments or other benefits?

No. The last day worked for an employee separating effective June 10, 2019, is June 9, 2019. Therefore, the employee is not employed on June 10, 2019, and is not eligible for the June 10, 2019, salary increases.

Effect on Employees' Compensation

15. How will this change affect my "take-home pay"?

*Each employee's situation is somewhat unique, depending on their salary and the deductions that are taken from their paycheck. The higher annual salary will result in an increase in all payroll tax withholdings and other salary-based withholdings like Optional Life Insurance. Therefore, it is likely that the change in take-home amounts may vary somewhat among employees as a result of payroll deductions. **Note:** Optional Group Life withholding only changes on January 1 of each year, regardless of salary changes during the year.*

16. When will I see the changes in my paycheck?

For classified and A/P faculty employees, the June 10, 2019 salary adjustments will appear in the July 1, 2019, paycheck.

For wage employees, the June 10, 2019 hourly rate increase will appear in the July 5, 2019 paycheck.

For full-time teaching faculty, the August 16, 2019 salary adjustment will appear in the August 30, 2019 paycheck.

17. Can all or part of the June 10, 2019 salary adjustments be deposited into Deferred Compensation?

Yes. The salary adjustments become part of an employee's new regular salary. As such, part or all of the increase may be deferred, subject to VRS Defined Contribution Plan guidelines and limitations. See plan information at www.varetire.org for instructions.

What is the process for contributing the salary adjustment to the 457 Deferred Compensation Plan?

- *Employees currently enrolled and new participants may contribute part or all their salary adjustment to the 457 Plan by logging into their account and selecting the new deferral amount or by calling the toll free Plan Support Line at 1-877-327-5261.*

What is the process of contributing the salary adjustment to a 403(b) Pre-tax Annuity Plan?

- *Employees currently enrolled with a tax deferred annuity provider may contribute all or part of their salary adjustment by completing the 403(b) Salary Reduction Agreement (SRA) form.*
- *To be effective on your July 1, 2019 payday, you will need to indicate on the 403(b) SRA form the new pay day deferral amount and effective date in section 3 step 3. The SRA form must be received by Payroll no later than Friday, June 7, 2019.*
- *Participants are responsible for ensuring any additional contribution does not cause their total 2019 403(b) contributions to exceed IRS limits.*

The [SRA Salary Reduction Agreement form](#) (403(b) SRA Form) may be found on the UMW Payroll website.

Employees not currently enrolled in a 403(b) annuity plan may contact the Benefits Administrator in the Human Resources Office to obtain information regarding plan vendors.

18. How will the June 10, 2019 salary adjustments affect my retirement benefit calculation?

The salary adjustments will increase employees' creditable compensation. Any future salary increases will be applied to this higher salary. Therefore, any months beginning July 2019 that are included in an employee's Average Final Compensation (AFC) will increase the employee's retirement benefit accordingly.

19. Will the June 10, 2019 salary adjustments affect my other benefits?

The salary increase amount is subject to payroll deductions for Social Security and Medicare as well as federal and state income taxes. This may result in an increase in an employee's future Social Security entitlement depending on his or her individual situation. It will also affect the rate used in calculating payments for accrued leave hours.

Calculating the Salary Adjustments

20. How will the employee's increase be calculated?

If an employee is employed 100% (40 hours per week for 12 months), the calculation will multiply the employee's current annual salary (including cents if there are any) by the appropriate percentage and the result will be rounded to the nearest dollar (.50 and above rounds up).

If the employee is employed for less than 100% and 12 months, the salary increase will be prorated based on the employee's percent of full time with the calculated result being rounded to the nearest cent, just as part-time salaries are currently prorated in calculations.

21. Is the June 10, 2019 base salary adjustment calculated on base pay or total state pay?

The salary adjustments are to base state salary effective June 10, 2019.

22. Do “non-state salary” supplements count toward the calculation of the salary adjustments?

No. The amounts of non-state salary supplements are determined by non-state entities. Therefore, the amounts will not be adjusted automatically effective June 10, 2019.

23. Does Temporary Pay count toward the calculation of the salary adjustments?

No. Temporary Pay is paid when an agency assigns an employee to perform different key (essential) duties on an interim basis, for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher level position. Because these assignments are temporary, the additional pay associated with them is not creditable for retirement purposes. Therefore, these amounts will not be automatically adjusted effective June 10, 2019.

24. What happens to employees on leave? NOTE: These rules are based on policies that apply to classified employees.

- a) Otherwise-qualified employees who are on short-term disability or other paid leave will receive the salary adjustments on the respective effective dates.*
- b) Employees on long-term disability-working will also have the salary adjustments applied to their current rates of pay. The adjustments do not apply to individuals who are on long-term disability-non-working.*
- c) Employees on leave without pay are not eligible for the salary adjustments until they return to work or paid leave.*

Other

25. Will the Commonwealth's Classified Salary Structure be adjusted?

Yes, the minimum and the maximum for each salary band in the classified [2019 Salary Structure](#) will be increased by five percent effective June 10, 2019.