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STATE OF NEW YORK
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PAUL E. FRANCIS
DIRECTOR

BUDGET BULLETIN	D-1119	March 21, 2007
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Paul E. Francis *Paul Francis*

SUBJECT: April 1, 2007 \$800 Base Salary Increase, 2007-08 Performance Advances, Merit Awards and Longevity Payments for Managerial and Confidential (M/C) Employees

This bulletin supersedes Budget Bulletin D-1118 and provides guidelines for the provision of pay increases to Managerial and Confidential (M/C) employees and other unrepresented employees.

These guidelines apply to executive branch agencies and to public benefit corporations funded in the Executive Budget and/or having governing boards with a majority of members appointed by the Governor. Commissioners whose salaries are statutorily set by Section 169 of the Executive Law are not eligible to receive the pay increases provided in this bulletin.

HIGHLIGHTS FOR 2007-08

- As authorized in Chapter 103 of the Laws of 2004, payment of an \$800 base salary increase is scheduled to occur in Institutional and Administrative paychecks dated April 26, 2007 and May 2, 2007 respectively.
- Payment of performance advances for eligible statutorily paid (graded) employees and non-statutorily paid employees in positions which have previously been equated to a salary grade is scheduled to occur on April 26, 2007, or May 2, 2007, as authorized by Budget Policy and Reporting Manual (BPRM) Item D-280.
- These payments will not be subject to a salary cap, and will only be withheld from individuals on an exception basis, under the circumstances described below under Agency Withholding Recommendations.
- The Office of the State Comptroller will issue a payroll bulletin detailing further procedures for processing such payments. It is expected that agencies will process all necessary transactions associated with DOB approved plans.

2007-08 M/C PERFORMANCE ADVANCES

Statutory (Graded) and Non-Statutory "Equated to Grade" Positions

Performance advances for statutorily paid and non-statutorily paid employees will automatically be provided to M/C employees having a salary which is in an approved salary range (i.e., graded or equated to a salary grade). Such performance advances will be paid in increments of one-sixth of the applicable salary range; however, an advance may not cause a salary to exceed the job rate of the position. Division of the Budget line examination unit approval is not required (i.e., no plan submission) to process 2007-08 performance advance payments for M/C employees in these positions.

M-8 & All Other Non-Graded Equated M/C NS Performance Advance Plans

Performance advances may also be provided to M-8 and M/C non-statutorily paid employees in positions having a salary which is in an approved non-equated (discretionary) salary range. Flat-salaried employees (when no salary range exists) or employees with a salary outside the boundaries of an approved salary range are not eligible to receive a performance advance.

To facilitate the payment of performance advances to M-8 and M/C non-statutorily paid employees, agencies are required to submit NS performance advance plans for DOB approval in the electronic format as specified in Attachment A. *Copies of such performance advance plans approved by DOB/Labor Relations are required by the Office of the State Comptroller (OSC) to provide the necessary authorization for such payments.*

NS performance advance plans should reflect the M-8 and M/C NS salaries and salary ranges which are in effect as of April 1, 2007 (i.e., inclusive of the \$800 base salary increase).

The plans should not be used to make any substantive changes or adjustments to salaries or ranges (i.e., Budget Director Approval form type actions). The DOB line examination units' primary approval role in processing these plans is to **certify that the April 1, 2007 salaries and ranges are accurate**; not the discretionary approval/denial of individual employee advances.

[Attachment A](#) (MS Excel) provides the proper format for the M-8 and M/C NS performance advance plan submissions. **NS employees in equated-to-grade positions should not be included on the M-8 and M/C NS performance plans.**

However, the plans should reflect a comprehensive listing of all annual salaried M-8 and M/C NS non-equated employees (i.e., filled, vacant, exempt, non-competitive, competitive, flat-salaried) regardless of performance advance eligibility, and must list for each position:

- Item Number
- Employee Name (Last, first)

- Title
- Salary in effect 3/31/07 (prior to application of \$800 base salary increase)
- Salary in effect 4/1/07 (following application of \$800 base salary increase)
- Hiring Rate and Job Rate in effect 4/1/07 (following application of \$800 base salary increase)
- Proposed Advance, if applicable (one-sixth of range, not to exceed job rate)
- Proposed New Salary in effect (after application of Advance)
- 13 Pay Periods of Performance Advance eligible service - Yes/No
- Advance Eligible - Yes/No
- Comments

Agencies should submit M-8 and M/C NS performance advance plans as soon as possible, but no later than **Friday, April 27, 2007**, to provide eligible employees timely performance advances.

2007-08 MERIT AWARDS AND LONGEVITY PAYMENTS

The 2007-08 merit awards and longevity payments for M/C employees will be paid pursuant to the guidelines provided by BPRM Item D-280. DOB approval is not required to process cash merit awards, non-cash merit awards and longevity payments. Total cash merit award payments remain limited by agency spending allotments. Merit awards may be provided to any M/C employee who served as an M/C employee during any portion of the 2006-07 SFY, or who is serving during any portion of the 2007-08 SFY.

Cash Merit Awards: At agency discretion and subject to overall agency spending allotments, all M/C employees are eligible to receive lump-sum cash merit awards of up to 5.0 percent of his/her annual salary during a given State fiscal year.

Non-Cash Merit Awards: At agency discretion and subject to overall agency spending allotments, all M/C employees are eligible to receive non-cash merit awards of up to \$75 in value during a given State fiscal year. Pursuant to section 7.D of BPRM Item D-280, if non-cash merit awards are provided to employees, agencies are required to submit annual reports summarizing non-cash merit award actions to the Governor's Office of Employee Relations, with a copy to the Budget Division's Budget Services Unit - Labor Relations Section.

Agencies should contact their budget examiners for their respective cash merit award and non-cash merit award spending allotments for 2007-08.

Longevity Payments: M/C employees at or below the grade 17 level are eligible for longevity payments. Those eligible employees with at least 5, but fewer than 10, years of continuous service at the job rate, whose basic annual salary is less than \$750 above the job rate, will receive a salary increase of \$750. Those eligible employees with 10 or more years of continuous service at the job rate, whose basic annual salary is less than

\$1,500 above the job rate, will receive a salary increase to the job rate plus \$1,500. Eligible employees will receive such payments on the first day of the pay period following the anniversary date on which the required service is attained.

AGENCY WITHHOLDING RECOMMENDATIONS

Section 15 of Part B of Chapter 103 of the Laws of 2004 authorizes the Director of Budget to withhold the April 1, 2007 \$800 base salary increase, the 2007-08 performance advances and longevity payments in certain circumstances, including: 1) to reflect the job performance of an employee; 2) to maintain appropriate salary relationships; 3) to reduce State expenditures to acceptable levels; or 4) when, in the opinion of the Director of the Budget, such increase is not warranted or is not appropriate.

Accordingly, Agency Heads may recommend individual withholdings of such payments to any employee based upon the above criteria, particularly the employee job performance criterion. Such recommendations must be fully justified in writing (cover-letter) and submitted to your budget examiner with the attached withholding form ([Attachment B](#)) (MS Excel).

DEADLINES

Agencies must submit written withholding recommendations of the April 1, 2007 \$800 base salary increase, the 2007-08 performance advances and longevity payments for all M/C employees by **April 6, 2007**.

If approved, agency recommendations to withhold **performance advances** from M-8 and M/C NS non-equated employees should also be reflected in the performance advance plan submission.

Questions concerning this bulletin or its attachments should be directed to your budget examiner.

Attachments

M-8 and M/C NS 2007-08 PERFORMANCE ADVANCE PLAN
DUE TO DOB APRIL 27, 2007

AGENCY NAME: _____

DATE SUBMITTED: _____

AGENCY CODE: _____

ITEM NUMBER	EMPLOYEE NAME	TITLE	SALARY IN EFFECT 3/31/2007 (Prior to \$800 Base Salary Increase)	SALARY IN EFFECT 4/1/2007 (Include \$800 Base Salary Increase)	SALARY RANGE IN EFFECT 4/1/2007 ⁽²⁾ (Include \$800 Base Salary Increase)			PROPOSED ADVANCE (1/6th of SALARY RANGE)	PROPOSED NEW SALARY WITH ADVANCE	SERVED AT LEAST 13 PAY PERIODS IN SFY 2006-07 (Y/N)	ADVANCE ELIGIBLE (Y/N)	COMMENTS
					HIRING RATE	JOB RATE	SALARY RANGE					
00001	Employee A	Special Assistant to Commissioner	\$115,000	\$115,800	\$103,800	\$134,080	\$30,280	\$5,047	\$120,847	YES	YES	Employee's current salary is within the salary range established for the position, and the increase resulting from the advance would not result in the employee having a salary greater than the job rate established for the position.
00002	Employee B	Special Assistant to Commissioner	\$122,120	\$122,920	\$97,376	\$122,463	\$25,087	\$0	\$122,920	YES	NO	Since the employee's salary is already at or above the job rate, the employee is not eligible to receive a performance advance
00003	Employee C	Project Associate	\$49,000	\$49,800	\$40,800	\$50,800	\$10,000	\$1,000	\$50,800	YES	PARTIAL	The full advance would result in the employee having a salary above the job rate; therefore, only a partial advance may be provided
00004	Employee D	Project Assistant	\$62,100	\$62,900	\$53,929	\$67,365	\$13,436	\$0	\$62,900	NO	NO	New employee. Otherwise eligible employees who have not completed at least 13 full pay periods of creditable service during the period April 1, 2006 to March 31, 2007 are not eligible receive a performance advance.
00005	Employee E	Project Assistant	\$45,000	\$45,800	\$53,929	\$67,365	\$13,436	\$0	\$45,800	YES	NO	Employee's current salary is outside (below) the salary range established for the position. Accordingly, the employee is considered to have a flat salary without a range, and is therefore not eligible to receive a performance advance.
00006	Employee F	Project Associate	\$50,000	\$50,800	\$50,800	\$50,800	\$0	\$0	\$50,800	YES	NO	The employee has a flat salary (no salary range). Positions without salary ranges are not eligible to receive performance advances
00007	Employee G	Project Associate	\$55,000	\$55,800	\$53,929	\$67,365	\$13,436	\$10,000 (ERROR)	\$65,800 (ERROR)	YES	YES, but not at the requested amount	The requested advance of \$10,000 would exceed the standard advance amount of 1/6th of the employee's salary range. Discretionary salary increases may not be effectuated via this plan; such salary increases must be approved via BDA.
00008	Employee H	Project Director	\$105,000	\$105,800	\$100,800	\$128,000	\$27,200	\$0	\$105,800	YES	NO; Performance Advance has been Withheld (3)	M-8 positions may be advance eligible within salary ranges established via BDA. However, in this example, a withholding of the advance has been approved by the Budget Director because the employee received an unsatisfactory performance rating. Therefore, no advance is proposed.

These entries must be corrected prior to approval of the plan.

Paul E. Francis
Director

NOTES:

- 1) This plan must include ALL (filled and vacant) M-8 and M/C NS Non-Equated Salary Range positions with flat salaries or salary ranges - in all jurisdictional classes, regardless of performance advance eligibility.
- 2) If not previously demonstrated in the salary ranges for your agency, the ranges must also reflect the April 1, 2007 \$800 Base Salary Increase.
- 3) DOB approved withholdings of performance advances should be demonstrated in the mathematical presentation and explained in the Comments column.

BY _____
Chief Budget Examiner

DATE _____

**Recommended Withholding of the
April 1, 2007 Base Salary Increase & 2007-08 Performance Advances and Longevity Payments
Due to DOB April 6, 2007**

AGENCY NAME: _____

PAYROLL AGENCY CODE: _____

DATE SUBMITTED: _____

Employee Name	Social Security Number	Item Number	Position Title	POSITION TYPE	Salary Prior to Any Increase	SALARY RANGE IN EFFECT 4/1/2007		Withhold 4/1/2007 \$800 Base Salary Inc	Amount to be Withheld	Withhold 4/1/2007 Performance Advance (Y/N)	Amount to be Withheld	Withhold 4/1/2007 Longevity Payment (Y/N)	Amount to be Withheld	TOTAL AMOUNT WITHELD	Comments
						HIRING RATE	JOB RATE								
Example	XXX-XX-XXXX	00001	Secretary 1	Grade 13	\$41,987	\$34,189	\$43,142	No	\$0	Not Eligible	\$0	Yes	\$750	\$750	Unsatisfactory Performance Rating
Example	XXX-XX-XXXX	00002	Assistant Commissioner	M-8	\$115,000	\$94,473	\$120,000	Yes	\$800	No	\$0	Not Eligible	\$0	\$800	Unsatisfactory Performance Rating
Example	XXX-XX-XXXX	00003	Project Assistant	NS, Equated to Grade 23	\$60,671	\$55,955	\$70,105	Yes	\$800	Yes	\$2,358	Not Eligible	\$0	\$3,158	Unsatisfactory Performance
Example	XXX-XX-XXXX	00004	Project Director	NS, Non-Equated Salary Range	\$50,000	\$40,000	\$60,000	Yes	\$500	No	\$0	Not Eligible	\$0	\$500	Unsatisfactory Performance
Example	XXX-XX-XXXX	00005	Project Director	NS, Flat Salaried	\$20,000	\$20,550	\$20,550	Yes	\$250	Not Eligible	\$0	Not Eligible	\$0	\$250	Unsatisfactory Performance

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1. This form should include all M/C employees (graded, equated to grade, non-equated, flat salaried) for whom withholds are recommended.
2. Partial withholds are permitted (e.g., withhold only \$500 of \$800 base salary increase).
3. Withholding of one pay raise does not necessarily obligate the withholding of another pay raise (i.e., you may choose to withhold an employee's base salary increase, but not the performance advance, or vice versa).

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