



STATE OF NEW YORK  
**EXECUTIVE DEPARTMENT**  
DIVISION OF THE BUDGET  
STATE CAPITOL  
ALBANY, NEW YORK 12224

David A. Paterson  
Governor

Laura L. Anglin  
Director of the Budget

<b>BUDGET BULLETIN</b>	<b>D-1122</b>	<b>March 20, 2008</b>
------------------------	---------------	-----------------------

**TO: ALL DEPARTMENT AND AGENCY HEADS**

**FROM: Laura L. Anglin** 

**SUBJECT: April 1, 2008 3% General Salary Increase, 2008-09 Performance Advances, Merit Awards and Longevity Payments for Managerial and Confidential (M/C) Employees**

This bulletin supersedes Budget Bulletin D-1120 and provides guidelines for the provision of 2008-09 pay increases to Managerial and Confidential (M/C) employees and other unrepresented employees. As a general rule, the April 1, 2008 3% general salary increase, performance advances and merit awards will be paid to eligible M/Cs and other unrepresented employees. However, on an exception basis and under specific conditions, agency heads may recommend withholding of such increases. Such withholding recommendations are subject to the approval of the Director of the Budget.

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 2008-09**

- As authorized in Chapter 10 of the Laws of 2008, payment of a 3% general salary increase is expected to occur in Institutional and Administrative paychecks dated April 24, 2008 and April 30, 2008, 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, as authorized by Budget Policy and Reporting Manual (BPRM) Item D-280, is scheduled to occur on April 24, or April 30.
- 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 (**such requests are due to DOB by Friday, March 28, 2008**).

- 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.

## **2008-09 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 (no plan submission is necessary) to process 2008-09 performance advance payments for M/C employees in these positions.

### **M-8 & All Other 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, 2008 (i.e., inclusive of the 3% general 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, 2008 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 advance 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 3/31/08 (prior to application of 3% general salary increase)
- Salary in effect 4/1/08 (following application of 3% general salary increase)
- Hiring Rate, Job Rate and Salary Range in effect 4/1/08 (following application of 3% general 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 25, 2008**, to provide eligible employees timely performance advances.

### ***2008-09 MERIT AWARDS AND LONGEVITY PAYMENTS***

The 2008-09 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 or 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 2007-08 SFY, or who is serving during any portion of the 2008-09 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 2008-09.

*Longevity Payments:* M/C employees at or below the grade 17 level are eligible for longevity payments. Those newly 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 \$1,000 above the job rate, will receive a salary increase of \$1,000. Previously eligible employees will receive a salary increase of \$125. Newly eligible employees with 10 or more years of continuous service at the job rate, whose basic annual salary is less than \$2,000 above the job rate, will receive a salary increase to the job rate plus \$2,000. Previously eligible employees will receive a salary increase of \$250.

## ***AGENCY WITHHOLDING RECOMMENDATIONS***

Section 15 of Part B of Chapter 10 of the Laws of 2008 authorizes the Director of Budget to withhold the April 1, 2008 3% general salary increase, the 2008-09 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, 2008 3% general salary increase, the 2008-09 performance advances and/or longevity payments for all M/C employees by **Friday, March 28, 2008**.

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**