

DHRM TOTAL COMPENSATION BULLETIN

Compensation and Benefits Information for State Employees FY 2017

Effective Date: June 18, 2016

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1. Salary Updates

S.B. 8- State Agency and Higher Education Compensation Appropriations

- Provides funding for a 2.0% general salary increase for eligible state employees.
- Provides funding equivalent to a 2.0% for discretionary salary increase to certain employees of constitutional offices, the legislative branch, and the judicial branch.

General Increase

- The legislature provided funding equivalent to a 2.0% general increase for eligible state employees.
- The 2.0% salary increase will be administered as a general Increase to employees who meet certain eligibility criteria. A general increase functions similar to a COLA; however no adjustments will be made to salary ranges. (See the bulleted section below to see which employees are eligible.)

- Eligible employees who are at the maximum of the salary range, above the maximum or in longevity will receive a bonus equivalent to the calculation of a 2.0% yearly salary increase. One half of the bonus will be distributed in July 2016 and the other half will be distributed in January 2017.
 - The calculation will be based on 2088 hours. DHRM will work closely with the Division of Finance to provide employees who receive a bonus with FAQ's on how taxes will be applied and will provide options for utilizing pre-tax plans.
 - For the first bonus, an employee must be an active employee on June 18th, 2016 and stay active until July 1, 2016. For the second bonus, an employee must be an active employee on June 18th, 2016 and stay active until January 1, 2017.
- Employees who are less than 2.0% away from the maximum of the salary range will receive an increase to take them to the maximum of the salary range and the difference will be given in the form of a bonus; one half distributed in pay period 13 and one half distributed in pay period 26 for a total increase equal to 2.0%.
- Non-benefited IN/TL employees will receive the general increase based upon available funding and agency discretion.
- Eligibility for the 2.0% increase and/or the one- time bonus are as follows:
 - Schedule B – All employees eligible
 - Schedule AA – Not eligible
 - Schedule AB – All employees eligible, unless prohibited by statutory limit in UCA § 67--22--2
 - Schedule AC – Employees eligible; according to agency policy
 - Schedule AD – All employees eligible
 - Schedule AG – Employees eligible, according to agency policy
 - Schedule AH – Some employees eligible; according to agency policy
 - Schedule AN – Legislative branch will determine eligibility
 - Schedule AO – Judicial branch will determine eligibility
 - Schedule AP – Not eligible
 - Schedule AQ – Not eligible

- Schedule AR – All employees eligible
- Schedule AS – All employees eligible
- Schedule AT – All employees eligible
- Schedule AU – Not eligible
- Schedule AW – All employees eligible
- Schedule IN – Benefited employees eligible; agency will determine eligibility for Non--Benefited employees.
- Schedule TL – Benefited employees eligible; agency will determine eligibility for Non--Benefited employees.

Cost- of- Living Adjustments

Cost- of Living Adjustments (COLA's) were not approved for FY2017.

Targeted Funding (Hot-Spot)

Targeted Funding Adjustments were not approved for FY2017.

Market Comparability Adjustment (MCA)

Market Comparability Adjustments (MCA's) were not approved FY2017.

Merit Increases

Merit increases were not approved for FY2017.

2. Retirement Changes

S.B. 8 - State Agency and Higher Education Compensation

- Provides appropriations for an up to \$26 per pay period match for qualifying state employees enrolled in a defined contribution plan.

S.B. 19 – Phased Retirement

- Allows that state agencies may participate in a new phased retirement program. The phased retirement program allows a retiree who has not completed the one-year employment separation requirement to come back and work half-time, immediately after retiring and receives half of their pension. To participate, agencies must create a written policy and require the employee to sign a written agreement with URS and the agency. Effective 1/1/2017.

S.B. 29 - Retirement Systems Amendments (clean up bill)

- Clarifies that a public safety employee who is transferred or promoted to an administration position within the same department primarily to manage or supervise public safety service employees will continue to earn public safety service credit.

H.B. 35 - Retirement and Insurance Benefit Claims Limits

- Creates a general four (4) year time limit to discover and resolve errors, claims and disputes regarding retirement and PEHP benefits, rights, obligations, records, and contributions. The legislation provides that the limitation period runs from the date when the aggrieved party became aware, or should have become aware of the facts giving rise to the cause of action.

H.B. 439 – Retirement Amendments for Felony Conviction

- Provides that an employee shall forfeit certain retirement benefits (employer contributions and service credit accruals) if convicted of an employment related felony. The benefit shall be forfeited beginning on the day the employment offense occurred.

- The bill mandates that an agency conduct an investigation to determine whether the member's felony conviction falls under the definition of an employment related offense and also to notify URS.

3. Medical, Dental, and Vision Insurance Changes

All premium changes are effective pay period 13 – June 18, 2016

HB 81 - Government Employees Insurance Offerings	DENTAL	Autism Spectrum Disorder
<ul style="list-style-type: none"> • STAR and Utah Basic Plus plans • The state will contribute to a Health Reimbursement Account (HRA) if ineligible for a Health Savings Account (HSA). • An HRA is employer owned • Federal law does not allow employee contributions to an HRA • Federal law does not allow portability of an HRA at termination. 	<ul style="list-style-type: none"> • PEHP Traditional and Preferred Dental Plans • Premiums remain the same • Out-of-network provider benefit will be reduced by 20% in comparison with in-network provider benefit. • Provider may collect charges exceeding in-network rates • Regence Expressions • 10% overall premium increase 	<ul style="list-style-type: none"> • Enhanced benefit includes: • Ages 2-9 • Therapeutic care up to 600 hours per year • <i>Contact PEHP for details</i>

Telemedicine Benefit

- [Amwell](#) On-Demand Doctor Visits Available now

Vision

- No Change

HSA Employer Contribution

- Except for a slight increase in the Utah Basic Plus employer contribution, no change
- Maximum contribution for 2016-2017: \$3350 (single), \$6750 (dbl/family)

Flexible Spending

- Maximum contribution for 2016-2017 is \$2,550
- \$500 may be carried over into the next plan year in addition to the \$2,550 maximum

Employer and Employee Medical premiums increased 7.3% overall

- +7.3% Traditional medical plans
- 0% STAR & Utah Basic Plus Advantage and Summit plan
- +6-10% Preferred STAR (depending on single/double/family)
- +3-16% Preferred Utah Basic Plus (depending on single/double/family)

Medical Bi-weekly Premiums

Star: Summit & Advantage			
	FY 2016	FY 2017	Increase
Single	\$ 0.00	\$ 0.00	\$ 0.00
Double	\$ 0.00	\$ 0.00	\$ 0.00
Family	\$ 0.00	\$ 0.00	\$ 0.00

Star: Preferred Care			
	FY 2016	FY 2017	Increase
Single	\$ 54.28	\$ 57.27	\$ 2.99
Double	\$111.91	\$118.67	\$ 6.76
Family	\$149.40	\$164.87	\$15.47
Traditional: Summit & Advantage			
	FY 2016	FY 2017	Increase
Single	\$ 21.92	\$ 23.51	\$ 1.59
Double	\$ 45.18	\$ 48.48	\$ 3.30
Family	\$ 60.33	\$ 64.72	\$ 4.39
Traditional: Preferred Care			
	FY 2016	FY 2017	Increase
Single	\$ 91.19	\$ 97.84	\$ 6.65
Double	\$ 188.03	\$ 201.76	\$ 13.73
Family	\$ 251.00	\$ 269.31	\$ 18.31

Utah Basic Plus: Summit/Advantage			
Single	\$ 0.00	\$ 0.00	\$ 0.00
Double	\$ 0.00	\$ 0.00	\$ 0.00
Family	\$ 0.00	\$ 0.00	\$ 0.00
Utah Basic Plus: Preferred Care			
Single	\$ 43.44	\$ 44.71	\$ 1.27
Double	\$ 89.57	\$ 93.56	\$ 3.99
Family	\$ 119.58	\$ 139.77	\$ 20.19

Dental Bi-weekly Premiums

Traditional			
	FY 2016	FY 2017	Increase
Single	\$ 2.46	\$ 2.46	\$ 0.00
Double	\$ 4.56	\$ 4.56	\$ 0.00
Family	\$ 8.31	\$ 8.31	\$ 0.00
Preferred Choice			
Single	\$ 1.36	\$ 1.36	\$ 0.00
Double	\$ 2.52	\$ 2.52	\$ 0.00
Family	\$ 4.59	\$ 4.59	\$ 0.00
Regence Expressions			
Single	\$ 8.11	\$ 8.90	\$.79
Double	\$ 14.16	\$ 15.68	\$ 1.52
Family	\$ 25.00	\$ 27.66	\$ 2.66

Vision Bi-weekly Premiums

EyeMed – Full Vision Plan			
	FY 2016	FY 2017	Increase
Single	\$ 3.47	\$ 3.47	\$ 0.00
Double	\$ 5.68	\$ 5.68	\$ 0.00
Family	\$ 7.88	\$ 7.88	\$ 0.00
EyeMed – Eyeware ONLY Plan			
Single	\$ 2.99	\$ 2.99	\$ 0.00
Double	\$ 4.76	\$ 4.76	\$ 0.00
Family	\$ 6.54	\$ 6.54	\$ 0.00
OptiCare -- Full Vision Plan			
Single	\$ 3.83	\$ 3.83	\$ 0.00
Double	\$ 6.10	\$ 6.10	\$ 0.00
Family	\$ 9.04	\$ 9.04	\$ 0.00
OptiCare -- Eyewear ONLY Plan			
Single	\$ 2.94	\$ 2.94	\$ 0.00
Double	\$ 4.46	\$ 4.46	\$ 0.00
Family	\$ 6.29	\$ 6.29	\$ 0.00

4. Salary Increase Administration Instructions to Agencies

2.0% General Increase

- DTS staff will automate the general increase according to the criteria provided in the Salary Update Section 1 above. For IN/TL schedules codes, DTS staff will program the increase for benefited employees only. If agencies would like to provide the increase to non--benefited IN/TL employees, there will be a tracking spreadsheet provided for agencies to identify those employees (see next bullet point).
- DHRM compensation staff will provide agency HR Field Offices with a report that shows all non--benefited IN/TL employees by org in the agency.
- DHRM compensation staff will provide IN/TL eligibility spreadsheets via Google Drive for all orgs in the agency. HR Field Office staff will use this Google Drive document to designate by agency/org whether non--benefited IN/TL employees will receive the increase. Checking the box activates the increase for all non--benefited IN/TL employees in the org.

Note: the eligibility spreadsheets will include an option for the agency to designate all non-benefited IN/TL employees in the agency to receive the general increase.

- If the boxes for non--benefited IN/TL employees are not checked or if the IN/TL eligibility spreadsheet is not returned to the enterprise HR compensation team, non--benefited IN/TL employees will not receive the increase.
- The IN/TL report and the Google Drive IN/TL eligibility spreadsheet will be sent to agency HR Field Offices by **Monday, April 18, 2016**.

- DTS staff will only automate the increase for non--benefited IN/TL's at org level. This means that if agencies would like to separate non--benefited IN/TL's from getting the increase within the same org, those increases will need to be entered manually by HR Field Office staff.
- By Wednesday, **June 8, 2016**, HR Field Offices will need to update the IN/TL eligibility spreadsheet on Google Drive.
- IT staff **will not** automate the 2.0% increase for non--benefited IN/TL staff unless indicated on the IN/TL eligibility spreadsheet that the increase should be given.

Note: Benefited employees as outlined above will receive the General increase. There is no discretion to exclude them, so only non--benefited employees should be included on the spreadsheet.

5. Coding and Sequence of Salary Actions

How Will Salary Actions be Coded?

1. The General Increase will be coded as “**General Increase**” in automatic processing; there will be no manual drop-down available in HRE for HR Field Office staff to process the increase. If the adjustments need to be made after fiscal year end processing, agency HR Field Offices will need to work through ERIC and DTS staff to properly code the action as a “**General Increase.**”
2. Agency- specific legislatively -approved salary increases should be coded as “**ASI- Legislative Approval**” and is available in HRE for manual entry. If agencies have special legislatively funded increases that were not part of the General Increase, HR Field Offices in these agencies will need to work with the DHRM compensation team to determine if adjustments can be automated and in what date and sequence the increase should take place. Any special legislatively

funded increases that need automation will need to be coordinated and approved by the DHRM compensation team before **Wednesday April 27, 2016**.

3. Salary increases that agencies provide- in addition to specific legislatively-approved funding should be entered with an ASI action code in HRE that is appropriate for what the agency is giving the increase for, i.e. executive director approval, performance, etc. Funding for these increases comes from an agency's existing budget. Do not use the "**ASI -Legislative Approval**" action code, even if you consider them to be the same type of increase. DHRM must be able to produce reports that separate these actions based upon their funding source.

Sequence of Actions Effective on June 18, 2016

Salary actions effective on **June 18, 2016**, will be processed according to the following sequence:

1. Other Agency Salary Increases: (Manual Entry)

- Salary increases such as longevity increases, promotional increases and regular ASI's must be manually entered prior to fiscal year end processing.
- If more than one type of increase is processed for a single employee, the increases will run in chronological order based upon which is entered first.
- Increases, other than the General Increase and special agency specific legislatively approved increases, are funded from existing agency budgets. There is no additional or separate funding.
- Longevity salary increases should follow established DHRM rules for eligibility and should be processed by ERIC. Career service employees must have a current performance evaluation of successful or higher within the prior year in order to be eligible.

These evaluation reviews must be entered into HRE prior to entry of the Longevity Increase action. Employees in Schedules AB, IN, TL are not eligible for longevity increases.

2. 2.0% General Increase (Automated Processing)

- See salary update section #1 above for employee eligibility. Employee base salary rates will be increased by 2.0%.

Bonus

- The Bonus will be automated by the Division of Finance. DHRM will send the Division of Finance a spreadsheet containing all eligible employees and the amounts they are to receive. The first bonus paid at the beginning of FY2017 will be applied on the **July 15, 2016** paycheck and will be paid from FY2017 funds. The second bonus will be applied on the **January 13, 2017** paycheck. The amount of each bonus will be distributed in two equal payments.
 - Late assignment and salary actions may affect the amount of a one-time bonus that has already been paid to employees; these errors must be corrected no later than **December 1st of 2016**, in order for W-2's to be correct.
 - An employee who has received a bonus in error or who receives more than they should have received will be required to reimburse the State for the overage no later than **December 1st, 2016 for the July 2016 bonus and December 1st, 2017 for the January 2017 bonus**.
 - An employee who should have received a bonus, or received less than they should have, will have the bonus or the shortage paid to them only if the error is found prior to **December 1st, 2016 for the July 2016 bonus and December 1st, 2017 for the January 2017 bonus**.
 - Late assignment and salary actions processed after **December 1st, 2016**, will not result in any correction to an error in either bonus calculation.

6. Fiscal Year End Dates

- The HRE system will be disabled during the processing of Fiscal Year End changes.
 - HRE will go down **Friday, June 17, 2016**, at 11:00 am

 - HRE will be back up **Monday, June 20, 2016**

- On Thursday, **June 16, 2016**: All placement and onboarding actions and

Tour one completion should be completed for new hires that start with the state on or before **June 18, 2016**.

Note: New hires that will start with the state on or before **June 18, 2016** must be in the HRE system before HRE shutdown to avoid a delay in the salary increase processing. If employees do not complete tour 1 in onboarding by the above deadline, adjustments will need to be made manually by agency HR Field Offices via ePAR when the HRE system comes back up on **Monday, June 20, 2016**.

- All ePAR actions entered by the HR Field Office staff must be submitted prior to 5 P.M. on **June 16, 2016**.

- All HRE actions for **June 18, 2016** and earlier MUST be entered and approved by ERIC in HRE prior to **June 17, 2016** at 11:00 A.M.

It is critical that all actions for **June 18, 2016** or earlier are entered and approved prior to shut-down in order to ensure that the General Increase processes correctly. The sequence for these increases will be based upon current information that is in place on **June 18, 2016**. Actions that are in pending status will be deleted.

- All ePARs entered with effective dates of **June 19, 2016**, and later will be DELETED. Deleted actions will need to be re--entered when the system is back up on Monday, **June 20, 2016**.
- The first paycheck date for FY2017 will be on **Friday, July 15, 2016**. This paycheck represents 13 calendar days in FY2016 and one calendar day in FY2017. This paycheck will include the first half of the bonus for eligible employees which will be paid out of FY2017 funds.
- Any special adjustments related to fiscal year end processing need to be coordinated with the DHRM compensation team before **Thursday, April 27, 2016**.