HR 2 HR

Department of Human Resource Management

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Inside this issue:

Executive Director's Message	1
2011 Legislative Summary	2
HRE salary adjustment changes	3
ERIC visits to HR Field Offices	4
Benefits Coordinator Meetings	
New Finance Policy for Sick Leave	
Benefit Fairs Schedule	5
Bits and Pieces	6
Online WHP training update	

Total Compensation Study – Executive Director's Message

By Jeff Herring

The Department of Human Resource Management (DHRM) is currently in the beginning stages of a total compensation study to help in future policy making. The study will provide insights to the cost and value of all areas of compensation, including salary, benefits, retirement, and leave. This information will be passed on to the Governor's Office and the Legislature to provide insight based upon data as they make any shifts to our compensation mix.

This is important for numerous reasons. We all know that compensation is a topic that is often discussed by employees. We also have seen some changes to total compensation, specifically benefits, over the last few years. Last year, the Governor's Optimization Commission called for a study to examine shifting total compensation from benefits to salary. We have also seen proposed legislation aimed at significantly changing employee leave. With all of these issues arising, we wanted to make sure recommendations and decisions were based upon correct and current data.

A steering group has been formed and includes members of DHRM, the Division of Finance, the Governor's Office of Planning and Budget (GOPB), Utah Retirement Systems (URS), Public Employees Health Plan (PEHP), Utah Public Employees' Association (UPEA), and multiple legislators. Their task is to guide the process, select our comparable market, and to design the Request for Proposal (RFP) to select an outside consultant that will conduct the study. With the conclusion of the 2011 legislative session, committee members will have more time to finalize the RFP and select the consultant.

Jeff Herring,
DHRM Executive Director

The project timeline is critical and we are under pressure to complete and analyze the study by mid-summer. The data may be used for discussions and decisions in budget preparation leading up to next year's legislative session. This is an important project for DHRM which will provide some useful information that can be used to create a well analyzed compensation policy.

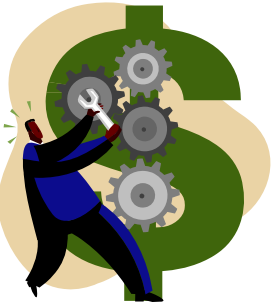
2011 Legislative Summary

By Con Whipple, HR Director

This was the busiest and most interesting legislative session DHRM has experienced since 2005 when the bill consolidating HR into a single department was passed. The number of bills with substantive HR issues was greater than we have experienced in recent memory. The majority can be grouped in four categories: compensation and benefits, retirement system, immigration, and the structure of state government. Here is a very brief summary of what happened with HR in this session.

Compensation and Benefits

Legislators hope to give a boost to high deductible health care plans with the passage of House Bill (HB) 18. This plan will now be the default policy for new employees unless they opt for another. Training for all employees on the various health plans is mandatory and must be completed by June 10th. This training will be available on the Gateway and on DVD.



The funding and details of the compensation package is contained in Senate Bill (SB) 6 and House Joint Resolution (HJR) 46. Employees will not see an increase in costs of retirement benefits or premiums for dental insurance. However, the premium ratio for health insurance was moved to 90% employer – 10% employee; it is clear that employees will pay more for their health insurance this coming fiscal year.

One other bill, HB 404, requires the interim committee to study the way the state provides health insurance to employees. This study must be completed by Dec. 10th.

Retirement System

Four bills passed this year that impact the retirement system. Two of the four address oversights in the Tier II system created last year. SB 127 softens the restrictions for those who return to work after retirement. Retirees are now allowed to return to work after 60 days and within one year of retirement if they do not receive state provided benefits and do not earn more than $15,000 in one calendar year or one half the final average salary, whichever is less. The one year waiting period is still in force however and will be recalculated beginning with the termination date of their re-employment if the retiree wants employment in the system with a higher salary and full benefits.

SB 308 makes a variety of technical and substantive adjustments to the Tier II system. New employees will now have one year to change their election between the Defined Contribution (DC) plan and the hybrid plan; employees who choose the DC plan will receive the Program II sick leave benefit; and all newly elected officials are placed in the DC only plan. This bill also provides for adjustments in the benefits offered if there are fiscal difficulties with the plan. First, the membership council may recommend changes if the contribution rate becomes too high for employees. Second, the legislature may make adjustments if an actuarial study projects contribution rates above the 10 percent of pay. Third, if an actuarial study finds the system is on the brink of failure the legislature may convert to a different type of retirement plan, distribute assets to retirees and members or close the system.

Two bills make minor adjustments: SB 90 places board members of the Board of Pardons in the Public Safety system; and SB 112 prohibits URS from placing any future investments in companies that are on a list that subjects them to the Iran Sanctions Act of 1996.

Immigration

Four bills passed this year that set immigration policy for the State of Utah. The Governor has already signed them into law and they will be effective on May 10th. The centerpiece and the bill that will impact DHRM is HB 116. This bill consolidates provisions from several bills and creates a "Guest Worker Program" that will be created by the Department of Public Safety. Under this program, DHRM will be required to verify the status of new hires with the e-verify system and the u-verify system that will be part of the "Guest Worker Program". As you are aware, we are in full compliance with e-verify. The u-verify system appears to be verification that the individual is a legitimate participant in the "Guest Worker Program". We will likely make some changes in our hiring procedures, but must wait for Public Safety to create the program.

Structure of State Government

A surprising amount of activity this year was directed at changing the current structure of state government. Two bills directly impact specific agencies and one has impact for the executive branch. HB 84 creates an Office of Inspector General for Medicaid Services in the Governor's Office of Planning and Budget. Approximately 24 positions from the Department of Health will be moved to this new office. Another bill, HB 287, requires the Executive Director of the Department of Community and Culture to study internal restructuring and how its functions, divisions and programs may be reassigned to other agencies of the executive branch. On a larger scale, HB 280 establishes a commission to study options for the consolidation of executive branch agencies. Recommendations must be reported to the interim in October and to legislative leadership in December.

(continued on page 3)

2011 Legislative Summary (continued)

Additional HR issues

Many other bills raise issues for the HR system, some more than others. HB 328 requires all agencies to have services available in as many geographic locations as necessary Monday through Friday for at least nine hours per day. As of this writing, the Governor's Office and DHRM are studying this bill to assess what scheduling options it leaves for the workforce.

SB 120 makes two changes to the career service system. It adds schedule AW to the career service exempt list to accommodate special needs in the Department of Workforce Services. It also extends the Career Service Review Board for one year in order to process some grievances at the 6th level that were in the system when it was changed last year.

This year the interim study period will only address a few HR issues. The interim study resolution, HJR 24, only calls for a study of government records (HB 477), state agency consolidation, and post employment benefits for elected officials as items related to HR. Commitments are already in place to address the first two but not for the third. SB 3 also requires the Division of Finance to work with DHRM before the next general session and recommend ways to pay down the long term fiscal liability of the sick leave retirement program.

There was a change to the veteran's preference code which will have a small impact for DHRM. HB 384 requires Utah employers to accept certain professional licenses granted in other states to spouses of service men stationed in Utah for employment purposes. The license must be current and the spouse must be in good standing in their state.

One bill that did not pass but created a stir was HB 133. This would have combined sick leave and annual leave into one category of leave called annual leave and end the sick leave retirement program II. Later amendments would have let employees take cash for unused sick leave. The bill did not make it through standing committee and died at the close of the session but it did raise the issue of moving towards a "paid time off" system of leave. This issue will likely be addressed during the interim with a total compensation study. DHRM is in the process of issuing a request for proposal to find a private consultant who can conduct this study.

Percentage Method Going Away in HRE

By Paul Morley, HR Consultant

As a result of recent changes to DHRM rule, effective April 7th, 2011, you will neither be required, nor have the ability, to enter a percentage in the HRE system for a salary action. All salary actions except longevity, which are preprogrammed to calculate the 2.75% rate for you, can be entered using the flat rate. This is taking place because rule no longer requires that increases and decreases in salary be in ½% increments. With this change ends the need for you to round up in order to stay on a ½% increment. There are still a few requirements that you will need to be aware of and abide by, but they are much more manageable.

1-Increases and decreases must be at least ½% or the maximum rate or minimum rate of the new salary range.

2- After the ½% requirement is met you have the discretion to place an employee anywhere within his or her new salary range as long as it is at or above the minimum rate and at or below the maximum rate.

3- Promotions must still be at least 5% or the maximum rate of the new salary range.

Note: The Employee Gateway will have a simplified calculator that can help you determine what rate a certain percentage increase will be. This calculator rounds up normally, so you can come up with the same answer using one of your own methods.

Keep in mind, HRE **will not** be programmed with hard edits; instead the system will give you warnings that let you know that you have violated one of the three rules above. **Please do not ignore these warnings**; they are usually in red and act as a friendly slap in the face to tell you that something is not correct. If you have any questions or need some assistance with a salary action please contact HRE support or a member of DHRM Administration for assistance.

Save the Date!

DHRM's summer meeting will be held on Wednesday, August 17th in the Washington Terrace of Washington Park in Parley's Canyon. Please mark your calendars and watch for more information.

April 2011 Visits from ERIC to HR Field Offices

By Bart Olsen, HR Manager

Bill Brandon and Sharyn Weiser will be accompanying me to visit HR field offices during the month of April 2011 to have conversations with HR Technicians regarding their possible assignments at ERIC. One purpose of this visit is to discuss with staff and HR Managers where staff fit best: the HR field office, the ERIC customer service team, the ERIC HRE transaction team, or the ERIC payroll processing team. Another purpose is to have personal, face-to-face question / answer time with individual staff members that may be assigned to ERIC.

We are looking forward to visiting each of the field offices during the month of April and getting to know DHRM staff better. Our goal is to have preliminary decisions for placement of ERIC staff by April 30, and to have a decision on all HR Technician staff placement by May 31.

As we continue to make progress in the design of ERIC, it is our hope that the level of anxiety some of us may experience with regard to ERIC implementation will decrease. We will also continue to keep all of you informed about changes and updates with ERIC through continuing webinars, emails, outreach through the Communications Workgroup, and HR 2 HR articles.

Benefit Coordinators Meeting & Open Enrollment

By Barbara Smith, HR Consultant

The Benefit Coordinators Meeting is on April 13, 2011, from 8am to 1pm, with registration and continental breakfast from 8am to 9am. It will be held at the SLCC, Miller Campus Conference Center, 9750 S 300 W, Sandy.

Benefit Fairs will begin on April 18, 2011, and continue through May 23, 2011. A chart of the benefit fair dates and locations is on the following page.

DHRM will have be represented at each location to provide employees with information on benefit updates and Employee Gateway awareness.

Benefit books will be mailed to employees. Employees can make changes to Medical, Dental, Term Life Insurance, AD&D and FLEX$ online April 14, 2010, through June 10, 2011. They can access My PEHP through the Employee Gateway or go to www.PEHP.org. Employees can still use paper enrollment forms accessed through the EG, Benefits tab, Forms portlet. All paper forms are due to State HR offices by June 3, 2011, and must be received by PEHP June 10, 2011. Please encourage your employees to use the online enrollment process for benefit changes.

Program I and II Sick Leave - New Finance Policy

By Crisanta Gwilliam, Division of Finance Payroll Trainer

The Division of Finance Policy FIACCT: 11-21.00 Use of Pre-2006 Sick and Converted Sick Leave Balances was revised March 21, 2011. The updated policy has two separate authorization forms, depending on whether an employee wants to make a portion of their Pre-2006 hours available for paid absences, or a one-time irrevocable transfer of all Program I hours into Program II. The updated policy and authorization forms are available on the Division of Finance web site: http://finance.utah.gov/ (in the Payroll, Payroll Policies section).

Agencies are still required to run the 'Pre-2006 Hours Moved Not Used' report in SAP as part of the leave year end process and/or when an employee retires or terminates, whichever comes first to identify employees that have unused pre-2006 hours that need to be restored in Program I. This will require that agencies perform quota corrections to remove the unused leave from Program II and move it back into the employee's Program I account.

Agencies must also submit a copy of the 'One-Time and Irrevocable Authorization to Transfer All Unused Program I Sick and Converted Sick Leave Hours to Program II' form to State Payroll. The employee will then be placed in a user group to identify them as having made the one-time irrevocable election. The 'Pre-2006 Hours Moved Not Used' report is also being modified so employees who have elected to the one-time irrevocable transfer of all Program I sick and converted sick leave to Program II will not display as having unused Program I leave that needs to be moved back. The updated Business Process Procedures will be sent to the Payroll Email Notification List as soon as this change has been made.

Questions regarding this process may be directed to the State Payroll Help Desk at 801-538-3056 or by sending an email to payroll@utah.gov.

2011 State Benefit Fair Schedule

AGENCY	ADDRESS	ROOM	DATE	TIME
State Hospital - **Provo**	1300 East Center St., Provo	Gymnasium	April 18	9 a.m.-2 p.m.
Recovery Services	515 East 100 South, SLC	9th Floor Conf. Room	April 19	9 a.m.-Noon
State Courts	450 South State St., SLC	1st Floor Large Conf. Room	April 20	9 a.m.-2 p.m.
Davis Applied Technology College	550 East 300 South, Kaysville		April 21	1:30 p.m.-3:30 p.m.
State Office Building	Administration Building	Auditorium	April 25	9 a.m.-2 p.m.
Department of Health	288 North 1460 West, SLC	Room 125	April 26	9 a.m.-3 p.m.
Development Center - **American Fork**	895 North 900 East, American Fork	Heather Building	April 27	10:30 a.m.-2:30 p.m.
Department of Corrections (Fred House)	14727 Minuteman Dr., Draper	Gymnasium	April 28	9 a.m.-2 p.m.
UDOT - **West Valley City**	4501 South 2700 West, SLC	Atrium	May 2	9 a.m.-3 p.m.
Workforce Services	140 East 300 South, SLC	Room 101 N & 101 S	May 3	9 a.m.-3 p.m.
Department of Education	250 East 500 South, SLC	Board Room	May 4	9 a.m.-2 p.m.
Human Services & Environmental Quality	195 North 1950 West, SLC	Common Area	May 5	9 a.m.-2 p.m.
Human Services - **Logan**	115 Golf Course Rd., Logan	DCFS Large Conf. Room	May 9	9 a.m.-11 a.m.
DCFS - **Ogden**	950 East 25th Street, Ogden	Main Conf. Room	May 10	9 a.m.-11 a.m.
Workforce Services - **Clearfield**	1290 East 1450 South, Clearfield	Large Conf. Room	May 10	1 p.m.-3 p.m.
Natural Resources	1594 West North Temple, SLC	Auditorium	May 11	9 a.m.-Noon
Ogden Regional Center	2540 Washington Blvd., Ogden	Large Conf. Room	May 12	10 a.m.-2 p.m.
Workforce Services - **Price**	475 West Price River Dr., Price	Large Conf. Room	May 16	10 a.m.-Noon
Workforce Services - **Moab**	457 Kane Creek Blvd., Moab		May 17	10 a.m.-Noon
Department of Corrections - **Gunnison**	255 East 300 North, Gunnison		May 18	9 a.m.-Noon
UDOT - **Richfield**	1345 South 350 West, Richfield	Portable	May 18	2 p.m.-4:30 p.m.
DCFS Administration Building - **St. George**	359 East Riverside Dr., St. George	Conf. Room	May 19	9 a.m.-Noon
Workforce Services - **Cedar City**	176 East 200 North, Cedar City		May 19	2 p.m.-4 p.m.
Tax Commission	210 North 1950 West, SLC	Room 1026	May 23	9 a.m.-1 p.m.

Attention State Employees!!!

This is your opportunity to meet with the various benefit carriers and learn more about the options available to you as a State of Utah employee. Don't forget to register to win one of the great prizes furnished by the vendors.

Bits and Pieces

Update: On-line WHP Training

By Rick Hughes, HR Director

In early March, we launched the online Workplace Harassment Prevention module for DHRM employees to test it. Many of you provided feedback on the training module and we have made some improvements. Thank you for your feedback.

While the program worked seamlessly for many, some employees experienced difficulties with the video not playing continuously. Though we never did determine what exactly the problem was, it seemed more aggravated while the legislature was in session and it is now playing more consistently. Come to think of it, I was a little aggravated at that time, too.

We are implementing some measures to address this issue and will continue to monitor the module's functionality as we roll it out to a larger state employee audience. The module is now available on the Training tab of the Employee Gateway.

ASK AN EXPERT!

If you have a specific question for an HR Expert that you would like answered in the next newsletter, please send it to HRNewsletter@utah.gov

We'd love to hear from you. Please submit feedback, suggestions, or ideas for future articles to:

HRNewsletter@utah.gov

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Coordination
Consistency
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DHRM Staff Update 1/16/11 to 3/15/11

Employee Movement

Jamie Nagle – Accepted a position as HR Specialist at DHRM's Capitol Hill field office.

Becky Snider – Accepted a position as HR Analyst at the DHRM's State Hospital field office.

Tina Sweet – Accepted a position as Knowledge Base & Training Consultant at DHRM's ERIC.

Mike Tribe – Accepted a position as HR Specialist at DHRM's Dept of Human Services field office.

Amy Ridge – New hire, HR Technician at DHRM's Dept of Human Services, Utah State Developmental Center field office.

Who Left DHRM

Angela Evans – Resigned

Did you know that PEHP will come out to your agency and give presentations about benefits for new hires, retirement benefits, Medicare Supplement, and other customized meetings?

To schedule a meeting call or email Justin Seal at 801-366-7775, justin.seal@pehp.org .

UTAH LEADERSHIP INSTITUTE

Please check the Employee Gateway or HREventure for a listing of upcoming Utah Leadership Institute workshops.