DHRM TOTAL COMPENSATION BULLETIN
Compensation and Benefits Information for State Employees FY 2023

Effective Date: June 25, 2022 (unless otherwise specified)

Links to Bills: To read full legislation please click the colored text

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1. Salary Updates

S.B. 8 State Agency and Higher Education Compensation Appropriations
The legislature provided funding equivalent to a 3.5% labor market increase for state employees and other compensation adjustments as authorized.

Labor Market Increase
- The 3.5% labor market increase will be administered as an across-the-board increase to employees who meet certain eligibility criteria. See appendix A for eligibility.
- Eligible employees who are at the maximum of the salary range or above the maximum of the range will also receive the 3.5%.
- Salary ranges will increase by 3.5% for eligible jobs.

Other Compensation Adjustments
- Other compensation adjustments will be administered as targeted and/or discretionary funding for agencies.
- See appendix B for targeted and/or discretionary compensation increase details.
H.B. 2 New Fiscal Year Supplemental Appropriations Act
This bill supplements or reduces appropriations provided for the support and operation of the state government for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

H.B. 104 State Employee Amendments
This bill impacts executive branch agency state employee classification and compensation in the following ways.

- Requires DHRM to establish a pay for performance management system by July 1, 2023.
- Creates schedule AX as a new career service exempt schedule code effective July 1, 2022, which includes employees in positions that require the regular supervision and performance evaluation of one or more other employees that are not already designated career service exempt under another schedule code.
- Requires DHRM to disseminate information on financial and other incentives for current career service employees in positions reclassified as schedule AX to voluntarily convert to schedule AX career service exempt status between July 1, 2022 through June 30, 2023.
  - Employees eligible for these incentives will be notified individually no later than April 13, 2022.
- Provides that employees hired for a schedule AX position on or after July 1, 2022 are exempt from the career service unless an exception is approved due to federal funding requirements.
- Repeals longevity effective July 1, 2023.
- Repeals a minimum 5% salary increase for promotions effective July 1, 2022.

H.B. 360 Title 39a - National Guard and Militia Act
- Requires state employed general officers or officers appointed to a general officer position to receive a salary that makes the total federal and state compensation at least commensurate with the pay and allowances for their military grade or assigned position, time in grade, and time in service as established in the United States Department of Defense.
2. Retirement Updates

**SCR1 Concurrent Resolution Authorizing State Pick up of Public Safety and Firefighter Employee Retirement Contributions** (7/1/22)

- Prospectively increases the employer pick up of certain employee contributions required for state employees who are eligible for and participate as members in the New Public Safety and Firefighter Tier II Contributory Retirement System.
  - Up to a maximum of 2.59% (currently 2% and the employee picks up the rest) of each affected employee's compensation.
  - Provides that an equal nonelective contribution will be made to public safety/firefighters who are members of a Tier II Defined Contribution Plan.

**S.B. 24 Utah Retirement Systems Revisions**

- Provides for a one time opt-in to retain URS credit accrual when a state employee leaves to work in Higher Education

**Bills on Hold**

- The following bills were held in order to do a broader and more in-depth study of post-retired, return to work provisions during the interim:
  - S.B. 253 [Licensed Clinical Therapist Retirement Amendments](#)
  - H.B. 460 [State Employee Retirement Amendments](#)
  - H.B. 348S01 [Educator Retirement Amendments](#)
  - H.B. 61 [Postretirement Reemployment Amendments](#)
  - H.B. 12S01 [Public Safety Retirement Amendments](#)

3. Medical, Dental, and Vision Insurance Updates

See Appendix C for medical, dental and vision rates *(updated as of 3/25/22)*

Notice: If you have other medical and/or dental coverage, you may elect to receive **CASH** in lieu of coverage. Log into your PEHP account to select this option.
Health Savings Account (HSA) Employer Contribution

<table>
<thead>
<tr>
<th>Bi-Annual State HSA Contribution</th>
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<tbody>
<tr>
<td><strong>STAR</strong></td>
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<tr>
<td>Single</td>
</tr>
<tr>
<td>Double</td>
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<tr>
<td>Family</td>
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- Employees may choose to receive an HSA contribution or cash as follows:
  - Up to one half of the state's HSA contribution on the STAR Plan
  - Up to 100% of the state's HSA contribution on the Consumer Plus plan
  - Cash must be taken in 25% increments as taxable compensation to be distributed twice per year at the same time as the HSA contribution
    - The first half of the HSA contribution will be distributed by the end of July 2022 and the second half by the end of January 2023
- Maximum contribution limits for 2022: $3,650 (single), $7,300 (double/family)

Health Reimbursement Arrangement (HRA)
- STAR or Consumer Plus plan members who are ineligible for an HSA may choose an HRA, which will be distributed in the same manner as the HSA
  - An HRA is NOT eligible for the cash conversion

Medical Flexible Spending Account (FSA)
- Maximum contribution for 2022 is $2,850

Dependent Care Flexible Spending Account (FSA)
- $5,000 a year for individuals and married couples filing jointly, $2,500 for a married person filing separately.

S.B. 8 State Agency and Higher Education Compensation Appropriations (7/1/22)
- Funds the state's portion of the 6.7% medical insurance premium increase
- Funds a 1% increase in dental insurance premiums
- Provides funding for a 2.59% State pick up of public safety and firefighter
employee retirement contributions for employees in the Tier II Defined Contribution Plan

- Provides funding for retirement rate changes for certain state employees
- Provides funding for an up-to $26 per pay period match for qualifying state employees

**H.B. 66 Public Employees’ Insurance Plan Amendments** *(7/1/22)*

- Discontinues the preferred network for the state risk pool.
- PEHP will allow only Summit or Advantage as choices on the open enrollment portal. Those individuals currently on Preferred will either need to select a new network, or PEHP will default them into the most appropriate network for them.
- During open enrollment PEHP will reach out to all current members who are on the Preferred plan to help them with a new election.

**H.B. 70S01 Public Safety Disability Benefits Amendments** *(7/1/22)*

- In addition to the current long term disability coverage for line-of-duty injuries or illnesses, a participating employer is now required to provide a benefit protection contract for qualifying public safety and firefighter employees in Tier 2 who suffer a qualifying injury.
- More details to follow on the administration of this bill

### 4. Leave Updates

**H.B. 238 State Holiday Modifications** *(5/4/22)*

This bill establishes Juneteenth as a recognized state holiday

- Juneteenth will always be observed on a Monday
- If June 19th is on a Tuesday, Wednesday, Thursday or Friday, the Juneteenth National Freedom Day holiday will be observed on the preceding Monday. If June 19th is on a Saturday or Sunday, the Juneteenth National Freedom Day holiday observation will be on the following Monday.


These two bills require that DHRM make rules to provide at least three work days of paid bereavement leave to certain leave eligible employees who are affected by miscarriage or stillbirth of a child.
S.B. 100S01 Paid Leave Modifications (7/1/22)
Requires up to three weeks of paid parental leave be provided to eligible employees for the birth of the employee's child, the adoption of a minor child, or the appointment of legal guardianship of a minor child or incapacitated adult.

5. Salary Increase Administration Instructions to Agencies

Labor Market Increase
- The DHRM Total Rewards team will automate the Labor Market Increase according to the criteria provided in appendix A. Agency DHRM Field Offices will be expected to provide any exceptions to the DHRM Total Rewards team by Monday, May 9, 2022 at 10:00 A.M.

Targeted and/or Discretionary Compensation Increases
- Targeted and discretionary funding is intended to allow agencies the flexibility to address compensation issues (within the intent of appropriations) such as: compression, exceptional performance, recruitment and retention issues. See appendix B for targeted and/or discretionary compensation increase details.
- Each agency will need to submit a plan for how they will be spending their portion of the targeted or discretionary funding to their agency DHRM Field Office. After the agency's DHRM Field Office review, DHRM administration will review the plans for any red-flags and will then finalize the plans with the Governor’s Office of Planning and Budget.
- Agency DHRM Field Offices will need to coordinate with the DHRM Total Rewards team by Monday, May 9, 2022 at 10:00 A.M. to determine whether or not the approved increases can be automated as requested or if adjustments need to be made.

Administrative Salary Increases (ASI)
- Agency DHRM Field Offices will need to coordinate with the DHRM Total Rewards team by Monday, May 9, 2022 at 10:00 A.M. to determine whether or not the approved ASIs (Executive Director Approval) can be automated or will need to be manually entered.
6. Coding and Sequence of Salary Actions

How will salary actions be coded?

- The Labor Market Increase will be coded as a “COLA (Cost of Living Adjustment)” in automatic processing; if any adjustments need to be made after fiscal year-end processing, agency DHRM Field Offices will need to work through the ERIC to properly code the action.
- Targeted and/or Discretionary Compensation Increases (agency-specific legislatively-approved salary increases) should be coded as “ASI-Legislative Approval.”
- Salary increases that agencies provide, not specific to legislatively approved funding, must be entered with an ASI action code in HRIS that is appropriate for why the agency is giving the increase, i.e. executive director approval. 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 25, 2022

Salary actions effective on June 25, 2022, will be processed according to the following sequence:

1. Other Agency Salary Increases: (Manual and/or Automated Entry)
   - Salary increases such as longevity increases, promotional increases and regular ASIs 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 and approved first.
   - Increases, other than COLA and 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 the ERIC.

2. Labor Market Increase - “COLA (Cost of Living Adjustment)”: (Automated Entry)
o Employee base salary rates will be increased by 3.5%.
  o Salary ranges will be increased by 3.5% for eligible jobs.

3. Targeted and/or Discretionary Compensation Increases: (Manual and/or Automated Entry)
  o Employee base salary rates will be increased by the amount provided by the employing agency.

7. Fiscal Year End Dates

On **Thursday, June 23, 2022**: All new hire/rehire actions, and onboarding tour 1 should be completed for new hires/rehires that have start dates on or before **Monday, June 27, 2022**.

Note: New hires starting on or before **Saturday, June 25, 2022** must be in HRIS before **Thursday, June 23, 2022** and approved by **Friday, June 24, 2022** to avoid a delay in the salary increase processing. If employees do not complete tour 1 in onboarding by the above deadline, adjustments they would have otherwise received will need to be made manually by agency DHRM Field Offices on **Monday, June 27, 2022** once the eligible employee completes tour 1 and the hire action is active.

- All actions entered by the DHRM Field Office staff must be submitted prior to 12 P.M. on Thursday, June 23, 2022.
- All HRIS actions effective Saturday, June 25, 2022 and earlier MUST be entered and approved by the ERIC in HRIS prior to Friday, June 24, 2022 at 12:00 P.M.

It is critical that all actions (including new hire/rehire actions) effective **Saturday, June 25, 2022** or earlier are entered and approved by **Friday, June 24, 2022** at 12:00 P.M. in order to ensure that the increases are processed correctly. The sequence for these increases will be based upon current information that is in place on **Saturday, June 25, 2022**. Actions (excluding terminations effective June 24, 2022 or earlier) that are in pending status will be deleted. **All terminations with effective dates of June 24, 2022 or prior must be entered by June 23, 2022 in order to block the automated actions from processing.** Field offices need to communicate to the agencies they support to ensure they have terminated all employees who are no longer actively working prior to the deadlines.

- All actions entered with effective dates of **Sunday, June 26, 2022** and later will be **DELETED**. Deleted actions will need to be re-entered on **Monday, June 27, 2022**.
● The first paycheck date for FY 2023 will be on **Friday, July 22, 2022**.
● Any special adjustments related to fiscal year end processing need to be coordinated with the DHRM Total Rewards team before **Monday, May 9, 2022 at 10:00 A.M.** Otherwise it may not be possible to automate and will need to be entered manually into HRIS after fiscal year-end processing.

**Appendix A**

**Appendix B**

**Appendix C**