

**DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES**  
**Bureau of Human Resources**  
June 19, 2009

**HUMAN RESOURCES MEMORANDUM 12-09**

TO: All Agency Heads, Agency Human Resource/EEO Representatives

SUBJECT: Merit Freezes for Fiscal Years 2009-2010 and 2010-2011

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Public Law 2009, Chapter 213, Part SSS freezes merit increases, regardless of funding source, scheduled to be awarded between July 1, 2009 and June 30, 2011. The current effect of this legislation is that employees who are not at the top step of their salary range, with a ***salary review date*** that falls between July 1, 2009 and June 30, 2011, inclusive, will not advance to the next step. This being the case:

- Employees with a ***salary review date*** on or before June 30, 2009<sup>1</sup> will receive the recommended merit increase for 2009.
- When reconstructing retroactive reclassification/reallocation actions, all merit increases with a ***salary review date*** on or before June 30, 2009 should be calculated into the retroactive payment due. Merit increases with a ***salary review date*** on or after July 1, 2009 should not be calculated into the retroactive payment due.

The freeze on merit increases does not affect the requirement to complete annual performance appraisals; annual performance reviews must be conducted on the scheduled performance review date pursuant to Civil Service Bulletin 10.4C. Because the freeze on merit increases does not affect the requirement to complete annual performance appraisals, performance review and salary review dates should be advanced only one year, not two years. Agency human resource representatives should note "Performance Review-Merit Frozen" in the comments box of the Human Resource Profile.

Consistent the intent of the legislation, discretionary "Special Merit Increases" authorized in Civil Service Rules [Chapter 5, Sec. 3, B, 1, b.] will not be considered during the same period.

**S / Alicia Kellogg**

Alicia Kellogg, Director  
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<sup>1</sup>It is important to distinguish between actual ***salary review date*** and the ***effective date*** of a merit increase. Because effective dates differ between different administrative units, the only fair and consistent way to administer the freeze on merit increases is to use the ***actual salary review date***.