

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
BUREAU OF HUMAN RESOURCES
June 20, 2003

HUMAN RESOURCES MEMORANDUM 5-03

TO: All Agency Department Heads, Human Resource Representatives

SUBJECT: MERIT FREEZES FOR FISCAL YEAR 2003-2004 (SUPERSEDES HUMAN RESOURCE MEMORANDUM 4-03)

PL 2003, Chapter 451, Part M, limits the freeze on merit increases to the first year of the biennium, July 1, 2003 – June 30, 2004. Consequently, employees who are not at the top step of their salary range, with a salary review date that falls between July 1, 2003 and June 30, 2004, inclusive, will not advance to the next step. This being the case:

- Employees with a salary review date on or before June 30, 2003 will receive the recommended merit increase for 2003.¹
- If the salary review date for a recommended merit increase is on or before June 30, 2003, but is not administratively processed in a timely manner, the employee will receive the merit increase for 2003.
- When reconstructing retroactive reclassification/reallocation actions, all merits with a salary review date on or before June 30, 2003 should be calculated into the retroactive payment due. Salary review dates that fall between July 1, 2003 and June 30, 2004, inclusive, should not be calculated into any retroactive payment due.

The freeze on merit increases does not effect 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 effect the requirement to complete annual performance appraisals, performance review and salary review dates should continue to be advanced one year. Agency human resource representatives should note "Performance Review-Merit Frozen" in the comments box of HRP.

Consistent the intent of PL 2003, Chapter 451, Part M, 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/ Donald A. Wills
Donald A. Wills, Director

¹ MSEA bargaining unit and Confidential employees whose salary review date falls on July 1 or July 2, 2003 would ordinarily receive the merit increase effective June 30. In this limited circumstance, the merit increase will not be awarded on June 30. The legislation requires the use of the "scheduled" merit date (actual salary review date) rather than the effective merit date.