



UNIVERSITY OF WISCONSIN – MADISON
Discretionary Equity or Retention Adjustment Policy
Effective September 2, 2013
Revised April 29, 2014

BACKGROUND

The 2013-15 State of Wisconsin Compensation Plan includes a provision for Discretionary Equity or Retention Adjustments (DERA). These adjustments are available to address equity and retention issues and are at the sole discretion of management. The criteria and guidelines outlined below will enable UW-Madison to use these programs in a consistent and equitable manner.

DISCRETIONARY EQUITY OR RETENTION ADJUSTMENT CRITERIA

The following descriptions of equity and retention are the criteria for awarding a DERA as provided by the Office of State Employment Relations (OSER). Individual DERA requests shall be limited to one of the two types of criteria.

Pay Equity - Employee's salary has been determined to be lower than other employees performing the same or similar duties at the same level of proficiency and who have comparable years of relevant state service; or there is significant pay compression between the employee and his/her immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers. Specific equity data and/or market data must be provided with the justification.

Retention: The employer is aware that the employee is actively seeking other employment, or the employee actually *has a job offer in hand* and the resultant loss of the employee's knowledge and experience would be a detriment to UW-Madison, therefore, requiring a pay adjustment be made in order to retain the employee.

If the employee is in a supervisory position, performance evaluations must have been completed for all subordinate employees within the past 12 months if a DERA is being granted for pay equity or retention.

ELIGIBILITY FOR A DISCRETIONARY EQUITY OR RETENTION ADJUSTMENT

All classified permanent and project employees are eligible to be considered for DERA except the following employees, who are considered **ineligible** to receive DERA:

- Employees in non-broadbanded pay ranges
- Employees in crafts worker and related positions (i.e., trades).
- Employees in supervisory positions who have not completed formal performance evaluations on all subordinate employees within the past 12 months.
- Any employee whose job performance has been rated below satisfactory in the previous fiscal year.

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Additional factors to consider when determining whether or not a DERA is appropriate include, but not limited to, the following:

- Whether an employee is on probation.
- Whether it is more appropriate to reclassify or reallocate the employee's position.
- Whether previous DERAs were given for similar reasons.

AMOUNT/FREQUENCY

Eligible employees may receive a maximum of four within-range-pay steps in any given fiscal year, subject to the maximum of the pay range. Adjustments may be granted in the form of a base pay adjustment, a lump sum adjustment or a combination of both.

EFFECTIVE RECEIPT

A DERA may be granted at any time during the fiscal year. The effective date of a base building adjustment is the beginning of the pay period following effective receipt of the recommendation. The effective date of a lump sum adjustment will be the date the payment is made after final approval. No DERA may be retroactive.

Effective receipt shall be considered the date the complete request is received by Classified Human Resources (CHR). A complete request must include a justification that meets the DERA criteria above. In some instances, CHR may delegate effective receipt to the divisional human resources offices.

APPROVAL PROCESS

All DERA requests must include a complete justification that meets the criteria identified above. DERA requests can be initiated by supervisors, divisional representatives or eligible employees through a self-nomination process. Eligible employees who self-nominate themselves for a DERA may only do so once every fiscal year. The fiscal year restriction does not apply to supervisors and division representatives who nominate employees.

The approval process for all UW-Madison DERA requests must start by utilizing the online Discretionary Compensation Administrator located at <https://apps.ohr.wisc.edu/dmc>

In order for a DERA to be granted, the request must be approved through the following process:

- 1. Division:** Each division is responsible for forming its own DERA review committee. This committee is responsible for ensuring consistent application of the DERA criteria within its division.

The DERA review committee will review all DERA recommendations and provide input to the dean/director. The dean/director or designate will review all requests for final division approval.

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2. **UW-Madison:** CHR is responsible for reviewing the DERA requests approved at the divisional level for completeness. The request is then forwarded to the Chancellor or the Chancellor's designee (e.g., Office of Human Resources) for approval or denial.
3. **Office of State Employment Relations (OSER):** Once approved by the Chancellor or the Chancellor's designee, the request will be submitted to OSER for its approval with a copy sent to UW System Administration. OSER is the final approver of all DERA requests unless delegation is provided to UW-Madison.

August 2013

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JUSTIFICATION FOR DISCRETIONARY EQUITY OR RETENTION ADJUSTMENT (DERA)

NOTE: This form is for reference purposes only. All UW-Madison DERA Requests must be submitted using the online DC Administrator. Please contact your HR Representative regarding the electronic DERA process.

AGENCY: UW-Madison		EMPLOYEE NAME:		CLASSIFICATION TITLE:		PAY SCHEDULE & RANGE:	
CRITERIA (select only one criterion)				JUSTIFICATION	INCREASE AMOUNT	NUMBER OF WRPS OR EQUIVALENT	
Pay Equity: The employee's salary has been determined to be lower than that of other state employees performing the same or similar duties at the same level of proficiency and who have comparable years of relevant state service (provide comparison data for equity; at a minimum, the equity comparison should be at the agency wide level); or there is significant pay compression between the employee and his/her immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers				Provide justification on page 2 of this document.			
Retention: The employer is aware that the employee is actively seeking other employment, or the employee actually <i>has a job offer in hand</i> and the resultant loss of the employee's knowledge and experience would be a detriment to the agency, therefore, requiring a pay adjustment be made in order to retain the employee.				Provide justification on page 2 of this document.			
DMC RECOMMENDATION							
Old Base Salary \$	New Base Salary \$	Funding Source(s):	DMC Effective Date:			# Prior WRPS in Same FY:	
Recommended By (Supervisor):		Date:	Division/Director Approval		Date:	Human Resources Director Approval:	
CHANCELLOR APPROVAL:			<input type="checkbox"/> APPROVED:			<input type="checkbox"/> DENIED	
OSER APPROVAL:			<input type="checkbox"/> Base Pay Adjustment: _____			<input type="checkbox"/> Lump Sum: _____	
			<input type="checkbox"/> APPROVED:			<input type="checkbox"/> DENIED	
			<input type="checkbox"/> Base Pay Adjustment: _____			<input type="checkbox"/> Lump Sum: _____	
UW INSTITUTION HR CONTACT NAME:				CONTACT PHONE NO:			

JUSTIFICATION:

CRITERIA (Check all that apply):

Pay Equity

Employee is a supervisor and has completed required performance evaluations for all subordinates

Retention

Employee is a supervisor and has completed required performance evaluations for all subordinates

JUSTIFICATION NARRATIVE (Provide specifics and supporting documentation below):

DISCRETIONARY EQUITY OR RETENTION ADJUSTMENT (DERA) INSTRUCTIONS

EMPLOYEE INFORMATION

- Agency:** Enter UW-Madison
- Employee Name:** Insert full name of employee
- Classification Title:** Insert complete classified title of employee
- Pay Schedule/Range:** Insert pay schedule and range for classification title.

DERA JUSTIFICATION

Identify one of the two categories below to justify the DERA. Provide specifics and details within the “Justification” section as to how the employee meets the specified criteria.

Pay Equity

Eligibility: Classified permanent and project employees in broadband positions ONLY

Definition: The employee’s salary has been determined to be lower than that of other state employees performing the same or similar duties at the same level of proficiency and who have comparable years of relevant state service (provide comparison data for equity; at a minimum, the equity comparison should be at the agency wide level); or there is significant pay compression between the employee and his/her immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers.

Specific equity data needs to be provided with the justification.

**Note: Definition provided is official OSER definition*

Retention

Eligibility: Classified permanent and project employees in broadband positions ONLY

Definition: The employer is aware that the employee is actively seeking other employment, or the employee actually ***has a job offer in hand*** and the resultant loss of the employee’s knowledge and experience would be a detriment to the agency, therefore, requiring a pay adjustment be made in order to retain the employee.

**Note: Definition provided is official OSER definition*

Increase Amount (Hourly or Lump Sum):

Insert the amount you wish to provide to the employee. Adjustments may be granted in the form of a base pay adjustment, a lump sum adjustment or a combination of both. Base-building adjustments are increases to the employees’ permanent rate of pay while lump sum payments are one-time payments. Lump-sum payments may be used because an organization is not able to continue the increased funding (base adjustment) in the next fiscal year.

Base-builder adjustments are an hourly figure for any amount **up to four steps** within the appropriate pay band. Lump-sum payments are a dollar figure **up to the equivalent of four steps** within the appropriate pay band (e.g., \$500 payment divided by standard of 2088 hours would equal \$0.240 an hour). To determine step sizes within a pay band go to the [compensation plan](#).

of WRPS or Equivalent:

(Note: WRPS stands for Within Range Pay Steps)

Calculate number of steps granted with this request. Lump-sum payments should be converted to an hourly rate (divide by 2088). To determine step sizes within a pay band go to the [compensation plan](#). *Adjustments/payments do not need to be made in whole step increments.*

DERA RECOMMENDATION

- Old Base Salary:** Insert the employee's current rate of pay.
- New Base Salary:** Calculate and insert the new hourly rate by adding together the old base rate (current) and amount recommended as a base-builder. Leave this blank if providing a lump sum payment.
- Funding Source:** Enter the name of the funding source that will be used to fund the DERA (i.e. GPR, PRF, SEG, etc.)
- DMC Effective Date:** Effective date for base-building adjustments will be the first day of the pay period following effective receipt of the DERA recommendation. Effective receipt shall be considered the date the request is received by Classified Human Resources unless Classified Human Resources has delegated effective receipt to the Divisional Human Resources office. The effective date of a lump sum adjustment will be the date the payment is made after OSER approval. DERAs cannot be retroactive.
- # Prior WRPS in Same FY:** Calculate number of steps granted, not including this request, for the current fiscal year. Go to the above information to determine step sizes.

SIGNATURES

- Signatures:** Supervisor will sign in the designated box, print name below signature, and date the request. Submit request based on your DERA submittal/approval process for your college/division/school (consult with your HR Representative). College/school/division internal review committee will review request and forward to dean/director, if approved. Dean/director submits to Classified Human Resources.
Note: The Discretionary Compensation Administer electronically populates all signatures.
- Approval Process:** For all DERA requests, Classified Human Resources is responsible for reviewing the DERA requests approved at the Divisional level for completeness. The request is then forwarded to the Chancellor or the Chancellor's designee (e.g., Office of Human Resources) for final UW-Madison approval or denial. All requests are then sent to the Office of State Employment Relations for final approval with a copy to UW System Administration unless delegation is provided to UW-Madison. Per Section I (6.00) (2) of the 2013-15 Compensation Plan, "The granting, denial, and amount of any DERA is not grievable."
- UW Institution Contact Name and Phone number:** Contact name and phone number will be filled in with Classified Human Resources DERA contact.

If you have questions about DERAs and the internal process for your college or school, contact your employing unit HR representative.

April 2014

UW- Madison 2013-2015 Discretionary Compensation Plan (DERA) Eligibility Chart
Eligibility by Pay Schedule or Range

Pay Schedule	DERA WRPS* fiscal year limit	Base Pay DERA	Lump Sum DERA
01 – Trades Supv/Mgmt	Not eligible	none	none
02 – Administrative Support	Not eligible	none	none
03 – Blue Collar	Not eligible	none	none
04 – Trades	Not eligible	none	none
05 – Security & Public Safety	Not eligible	none	none
06 – Technical	Not eligible	none	none
07 – Fiscal & Staff Affairs	4WRPS	Yes	Yes
11 – Patient Care	4WRPS	Yes	Yes
12 – Prof Staff Srvcs (nonbroadband)	Not eligible	none	none
13 – Education	4 WRPS	Yes	Yes
14 – Engineering	4WRPS	Yes	Yes
15 – Science	4WRPS	Yes	Yes
36 – Law Enforcement	Not eligible	none	none
70 – Information Systems Related	4 WRPS	Yes	Yes
81 – General	4WRPS	Yes	Yes

*WRPS – Within Range Pay Step