

NEW YORK STATE
OFFICE OF THE STATE COMPTROLLER

DIVISION OF AUDITS AND ACCOUNTS

BULLETIN NO. P-226

May 22, 1980

To : All State Departments and Agencies

Subject: 1979 Performance Advances for Employees covered by the
Budget Director's Rules and Regulations for
Management/Confidential Employees

The Director of the Budget is in the process of reviewing and approving agency plans for performance advances and performance awards for employees designated management/confidential, employees of PERB and employees of the Division of Military and Naval Affairs as required by Subtitle C, Part 147 of the Codes, Rules and Regulations of the State of New York and explained in Budget Bulletin G-1011, issued February 6, 1980. This bulletin contains instructions for paying performance advances once an agency plan has been approved. Instructions for payment of performance awards will be issued in a separate bulletin.

The plans currently being approved by the Division of the Budget cover performance advances due only through January 1, 1980. All ratings and recommended performance advances due after that date must be included in the plan to be submitted to the Director of the Budget for fiscal year 1980-81, which must be approved by the Director of the Budget before any payments can be made.

In reviewing the agency plans, the Director of the Budget has determined that some agencies ratings and proposed payments exceeded the criteria by which the plans were evaluated, and in these agencies the normal rules and regulations are being waived for the 1979 payments. Several alternatives for determining the amount of performance advances have been proposed. Although this bulletin describes the normal rules for determining the amount of performance advances, the Department of Audit and Control will audit your performance advances based on the specific plan approved by the Director of the Budget for your agency.

Performance Advancement System

The April 1, 1979 Salary Schedule for management/confidential employees contains only a hiring rate and a job rate for each grade. Generally, under the new evaluation system, an employee is appointed to a grade and receives performance advancement payments at six month intervals based upon evaluation of the employee's performance in the position until the employee reaches the job rate for the grade. The amount of a performance advance for an employee is determined by the appointing authority within the range approved for each rating, as described below, or is the difference between the employee's salary and the job rate, if less, since an employee may not exceed the job rate by application of a performance advance. A copy of the Salary Schedule is attached.

<u>Rating</u>	<u>Amount of Advancement</u>
Superior	Not less than 26% nor more than 40% of the salary range for the grade (the salary range is the difference between the hiring rate and the job rate).
Above Expected Level	Not less than 18% nor more than 25% of the salary range for the grade.
At Expected Level	Not less than 5% nor more than 17% of the salary range for the grade.
Below Expected Level Below Minimum Level	No advancement is given.

The new performance evaluation system applies to all full-time or part-time annual-salaried employees in graded positions or in N.S. (grade 600) positions which are equated to grades, except for those in grade M-8 (668) or in the exempt jurisdictional class.

Correction Superintendents who are paid under Section 19 of the Correction Law are also covered by the performance advancement system for management/confidential employees. However, the amount of the advance is different, as described below.

<u>Correction Superintendents Rating</u>	<u>Amount of Advancement</u>
Superior	Not less than 19% nor more than 28% of the salary range for the position. (The salary range is \$11,100, the difference between the hiring rate of \$36,700 and the job rate of \$47,800.)
Above Expected Level	Not less than 13% nor more than 18% of the salary range for the position.
At Expected Level	Not less than 3% nor more than 12% of the salary range for the position.
Below Expected Level Below Minimum Level	No advancement is given.

A new salary plan for Trainees is being developed which will provide for performance advances for employees in these positions. The details of this plan will be forwarded to you under a separate communication from the Department of Civil Service.

Under the Budget Director's rules and regulations, each agency must submit a performance evaluation plan annually to the Division of the Budget and this plan must be approved prior to the payment of any advances in the fiscal year.

Performance Advances for 1979

In implementing the new system for current employees, special rules have been established for the first payment. These rules are described below. They apply for employees in both graded and N.S.-equated positions. The initial anniversary date for all employees who were incumbents of positions prior to April 1, 1979 is April 1.

1. Employees in positions on March 31, 1979 who have 120 days or more of service in their grade between April 1, 1978 and March 31, 1979 (increment eligible) were evaluated for the period April 1 through September 30, 1979 and, if rated at Expected Level or better, will receive a performance advance payable from July 1, 1979. The amount of the performance advance is listed below.

Grade 603	\$455	Grade 613	\$ 720
Grade 604	480	Grade 614	750
Grade 605	505	Grade 615	780
Grade 606	525	Grade 616	815
Grade 607	565	Grade 617	860
Grade 608	575	Grade 618	910
Grade 609	600	Grade 619	950
Grade 610	630	Grade 620	980
Grade 611	660	Grade 621	1,020
Grade 612	685	Grade 622	1,070
		Grade 623	1,200

Grade 661	\$1,250 - \$1,650
Grade 662	1,350 - 1,840
Grade 663	1,500 - 2,040
Grade 664	1,650 - 2,250
Grade 665	1,850 - 2,500
Grade 666	2,000 - 2,700
Grade 667	2,000 - 2,700

Note: For grades 661 through 667, the actual amount of the performance advance is an amount determined by the appointing authority within the established range.

Although the performance advance is not payable until July 1, employees who would have been eligible for a performance advance, but who have been appointed, promoted or demoted to another grade after March 31 are entitled to a salary reconstruction as described below.

- a. Employees appointed or promoted to a higher grade position between April 1 and June 30.
These employees will be considered to have had a satisfactory rating in the lower grade by virtue of being promoted. They are entitled to receive a reconstructed promotion salary including the performance advance* in the lower grade effective July 1.
- b. Employees appointed or promoted to a higher grade position on or after July 1.
These employees will be considered to have had a satisfactory rating in the lower grade by virtue of being promoted. They are entitled to receive the performance advance* in the lower grade effective July 1 and a reconstructed promotion salary effective on the date of promotion.
- c. Employees appointed or demoted to a lower grade position between April 1 and June 30.
These employees will be rated for the period and if rated At Expected Level or better will be eligible for a performance advance in the lower grade, effective July 1.
- d. Employees appointed or demoted to a lower grade position on or after July 1.
These employees will be rated for the period and if rated At Expected Level or better will receive a performance advance in the higher grade effective on July 1. At the time of demotion, the reconstruction of the employee's salary will include a performance advance of the lower grade, if eligible.

*For employees in grades 661 through 667 who are promoted to a higher grade, the agency must determine the exact amount of the performance advance to be given in the lower grade, even though a formal evaluation and rating is not required.

2. Employees in positions on March 31, 1979 who did not have 120 days of service in their grade during 1978-79 were evaluated for the period April 1 through September 30, 1979, and will receive a performance advance payable from October 1, 1979 determined in accordance with the normal rules, that is, they will receive an amount determined by the appointing authority within the range approved for their rating.

Performance advances for employees who have been appointed, promoted or demoted to another salary grade after March 31 will be applied as follows:

- a. Employees appointed or promoted to a higher grade between April 1 and September 30 will have a new anniversary date of the date of appointment or promotion. They are not eligible for any performance advance in the lower grade. They will be evaluated at the end of each six month period following the new anniversary date.
- b. Employees appointed or promoted to a higher grade after October 1, will receive a performance advance in the lower grade effective October 1 and a re-constructed promotion salary effective on the date of promotion. They will also have a new anniversary date of the date of promotion.
- c. Employees appointed or demoted to a lower salary grade between April 1 and September 30 will be evaluated for the period and
 - (1) if the employee would have been increment eligible for 1978-79 in the lower grade (120 days of service in the lower grade and higher grade combined) he/she will be eligible for a performance advance in the lower grade effective on July 1 or the date of demotion, whichever is later, if rated At Expected Level or better.
 - (2) if the employee would not have been increment eligible for 1978-79 in the lower grade, he/she will be eligible for a performance advance in the lower grade effective October 1 if rated At Expected Level or better.
- d. Employees appointed or demoted to a lower salary grade on or after October 1 will be evaluated for the period and will receive a performance advance in the higher grade effective October 1 and will be eligible for a performance advance in the lower grade upon demotion.

3. Employees newly appointed to State service on or after April 1, 1979 will have an anniversary date of their date of appointment. They will be evaluated at the end of each six month period and performance advances will be paid based on these ratings.

All employees in the categories above who are appointed or promoted to a higher grade on or after April 1 will have a new anniversary date for evaluation which is the date of movement to the higher grade. They will be evaluated at the end of each six-month period following the new anniversary date and performance advances will be given under the normal rules.

All employees in these categories who are appointed or demoted to a lower salary grade will continue to have an anniversary date of April 1, 1979, or the date of entry into State service, whichever is later.

All normal six-month performance advances are payable from the first day of the payroll period following the date the employee completes the required period of service.

Payment of Performance Advances

Since each agency must have its plan approved by the Director of the Budget prior to payment of any performance advances, the Department of Audit and Control can not make the payments automatically. Each agency will be notified when the approval is received by this Department and then PR-75's must be submitted to pay the advances. Performance advance payments effective July 1, 1979 are payable from the first day of Payroll Period 7 for Institutions (June 28 to July 11, 1979) and Period 8 for Administration (July 5 to 18, 1979). Performance advance payments effective October 1, 1979 are payable from the first day of Period 14 for Institutions (October 4 to October 17, 1979) and Period 15 for Administration (October 11 to 24, 1979). All other performance advances are payable from the first day of the payroll period following the date the employee completes the six months of service.

Performance advances should be reported using the following transaction codes.

1. a. To report a performance advance.
- b. To report an increased salary and retroactive adjustment for an inactive employee.

Transaction Code: PERF ADV

Group 3
Class B

Complete blocks 01 through 06 and the following:

#07 Transaction Code	- enter PERF ADV
12 Transaction Effective Date	- enter beginning date of the period in which the performance advance is effective.
22 Salary Rate	
23 Gross (Add)	
24 Normal (Deduct)	

Remarks block - enter the employee's rating and the amount of the performance advance.

Use ADJ SAL PA as an additional code to report the retroactive adjustment.

Because the records for employees who went inactive in 1979 have not been deleted from the Audit and Control files, as explained in Bulletin P-212, issued December 7, 1979, the transaction code RESTORE PA is not required on PR-75's submitted for these employees.

2. To report an adjustment only for an employee due a performance advance in another position when the current salary will not change

Transaction Code: ADJ SAL PA

Enter the employee's rating and amount of performance advance in the Remarks block and explain the recomputation of salary.

3. To report an adjustment in current salary as a result of a performance advance in a previous grade

Transaction Code: COR FY SAL and ADJ SAL PA

Enter the employee's rating and amount of performance advance in the Remarks block and explain the recomputation of salary.

4. Adjustments for overtime, lost time, holiday pay, etc. may be reported in the period the performance advance is reported or may be reported in a later period.

Withholding Taxes

The full amount of the retroactive adjustment being paid is considered income for 1980 and therefore is subject to social security taxes and withholding taxes for this year. Social security will be taken at the normal rate of 6.13%, up to the maximum of \$25,900. Withholding taxes will be calculated automatically. For active employees, they will be computed at the withholding rates which would apply if the employee were to receive the adjustment in equal biweekly installments added to the normal biweekly during 1980. (All fixed tax and no-tax indicators will be cancelled automatically in this period and these employees will be taxed at 0 exemptions.) For inactive employees, the adjustment will be taxed at fixed percentages of 20% for Federal, 5% for State, 1.8% for NYC Resident and .45% for NYC Non-Resident tax.

Since the taxes for this payment are being automatically adjusted, agencies should not accept W-4 forms from employees changing exemptions for this payment only.

Special Instructions for Employees who have retired

Employees who have retired and are to receive an adjustment payment should not have retirement normal contributions deducted. For employees who have had contributions deducted, submit an AC-1040 to cancel the waiver code or the 21i additional annuity rate.

Should you require assistance in preparation of PR-75's contact the Payroll Planning Unit at 474-1246 or 474-1247.

Should you require assistance in determining correct salary entitlement contact the Salary Determination Unit on 474-1248 or 474-3564.

DEPARTMENT OF AUDIT AND CONTROL
BUREAU OF PAYROLL AUDIT--SALARY DETERMINATION SECTION
SALARY GRADE SCHEDULE FOR MANAGEMENT/CONFIDENTIAL
NEGOTIATING UNITS 06, 46, 47 & 66
EFFECTIVE APRIL 1, 1979

<u>Salary Grade</u>	<u>Hiring Rate</u>	<u>Job Rate</u>
603	7200	8550
604	7530	8955
605	8000	9410
606	8350	9910
607	8850	10470
608	9350	11030
609	9900	11640
610	10450	12310
611	11100	13020
612	11700	13725
613	12400	14515
614	13150	15340
615	13900	16195
616	14700	17085
617	15550	18055
618	16450	19075
619	17350	20095
620	18250	21130
621	19250	22250
622	20300	23450
623	21355	25000
661	22500	27350
662	25000	30400
663	27800	33800
664	30800	37400
665	34250	41650
666	38000	46000
667	42000	50000
668	41285	

