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TO:	Agency and Department Heads, Elected Officials and Board Chairs
FROM:	Susanne Young, Secretary of Administration
DATE:	June 9, 2021
SUBJECT:	Fiscal Year 2022 Salary Adjustments

This memo provides information on salary adjustments for classified, exempt and temporary employees for FY 2022.

## **CLASSIFIED EMPLOYEES**

In accordance and consistent with the July 1, 2020 through June 30, 2022 collective bargaining agreements, and FY 2022 Pay Act provisions, the following guidelines will apply to salary increases for classified employees.

Most classified employees will receive a 2.25% salary increase, with the caveats explained below. In addition, many classified employees will also receive a step increase during the fiscal year; the current average value of a step is 1.9%. Salary increases for classified employees will be implemented automatically by the Department of Human Resources.

Any classified employee whose salary is above the maximum for the pay grade on July 4, 2021 shall receive a salary increase and/or a lump sum payment (pro-rated for part-time employment), as specified in Section 3 of the salaries and wages article of the collective bargaining agreements.

Also, in accordance with the collective bargaining agreements, permanent or limited status employees who were classified employees as of July 4, 2021, and whose salary after application of the 2.25% hourly adjustment is less than \$29,120 (\$14.00 per hour), will be entitled to receive one-quarter of the difference between their annualized salary and \$29,120 at the beginning of each calendar quarter, so long as their annualized salary is still less than \$29,120 at the beginning of each respective quarter.



## **EXEMPT EMPLOYEES**

Salary increases for exempt state employees are implemented at the discretion of the Secretary of Administration, subject to the approval of the Governor. This discretion is limited by the funding provisions of the Pay Act. Salary increases for FY 2022 will be implemented as specified below.

**Employees Whose Salaries are Fixed in Statute:** Annual salaries for elected state officials and certain others are set by statute (32 V.S.A. § 1003 (a)). Additionally, the FY 2022 Pay Act authorized a one-time payment equivalent to the annualized value of a 1.9% increase on the fiscal year 2020 salary for elected State officials whose salaries are set pursuant to 32 V.S.A. § 1003 (State officers) and who did not otherwise receive a salary increase in fiscal year 2021.

Any questions on these salaries or requests to decline the one-time payment should be directed to Commissioner Fastiggi at the Department of Human Resources.

**Exempt Employees Not Covered by a Pay Plan:** Exempt employees not covered by a pay plan, including agency and department heads, their deputies, executive or principal assistants, and private secretaries will receive a 4.15% salary increase effective 7/4/2021. Exempt employees who are not performing at a minimum satisfactory level may have salary increases withheld or deferred. For exempt employees hired after January 1, 2021, salary increases may be withheld or deferred until the employee has completed any required probationary period or has been employed for six months, at the discretion of the appointing authority. If you would like to withhold or defer an increase from an exempt employee in your agency or department, please submit a memo with this request to the attention of Douglas Pine, Deputy Director, HR Operations by close of business on June 25, 2021 at DHR.ExemptPay@vermont.gov.

In addition, merit requests of up to 4.15%, not to exceed \$3,000, will be considered by the Secretary of Administration on a case-by-case basis for implementation in conjunction with the annual salary increases. Please note that any merit increases <u>must</u> be paid for within your existing budgets. In addition, the merit <u>must</u> be paid as a lump sum merit award only, not as an increase to base salary. All merit recommendations will be closely reviewed and scrutinized and must be based on outstanding performance and overall contribution. A detailed memo of justification must be submitted to the attention of Commissioner Fastiggi at <u>DHR.ExemptPay@vermont.gov</u> no later than close of business on June 25, 2021.

**Exempt Employees Covered by a Pay Plan:** Exempt employees who are covered by an exempt pay plan will receive a 4.15% salary increase effective 7/4/2021. Exempt employees who are either not performing at a minimum satisfactory level or whose current salary is near, at, or above the salary range maximum may have any salary increases withheld or deferred. For exempt employees hired after January 1, 2021, salary increases may be withheld or deferred until the employee has completed any required probationary period or has been employed for six months, at the discretion of the appointing authority. If you would like to withhold or defer an increase from an exempt employee in your agency or department, please submit a memo with this request to the attention of Douglas Pine, Deputy Director, HR Operations to DHR.ExemptPay@vermont.gov by close of business on June 25, 2021.

Merit increases consistent with the conditions of the exempt pay plans will be considered during FY 2022 on a case-by-case basis. Ordinarily these merit requests coincide with an incumbent's annual review. These merit increases <u>must</u> be paid from a department's existing budget. Merit increase recommendations



must be submitted following the conditions of the applicable plan.

**Exempt Judicial and Legislative Employees:** Exempt employees in the judicial and legislative branches will have their salaries adjusted by their respective branch.

## **TEMPORARY EMPLOYEES**

Effective July 4, 2021, the temporary pay plan will be increased by 2.25%, and adjusted to reflect the January 1, 2021 statutory minimum wage of \$11.75. All temporary employees in pay grades 5 through 32 who are currently slotted on a step in the temporary pay plan will be increased to the new value of their current pay grade and step. Salary increases for temporary employees in exempt roles such as attorneys and law clerks (not in pay grades 5 through 32) are at the discretion of the appointing authority.

If you have any questions, please contact Beth Fastiggi, Commissioner of Human Resources at <u>beth.fastiggi@vermont.gov</u> or Douglas Pine, Deputy Director, HR Operations at <u>doug.pine@vermont.gov</u>.

Cc: Beth Fastiggi, Commissioner of Human Resources Harold Schwartz, HR Director of Operations Douglas Pine, Deputy Director, Deputy Director, HR Operations Patricia Gabel, Vermont State Court Administrator Janet Miller, Sergeant-at-Arms

