

DRAFT – ADDENDUM 09/14/2012

[The draft rules posted on August 17, 2012 included the term “reserved” in three areas to indicate that the draft text for the respective section/subsection had not yet been finalized. These three areas were noted as follows:

- *Subsection R2-5A-402(L). Performance pay adjustments. [Reserved]*
- *Subsection R2-5A-403(D). Bonuses and awards. [Reserved]*
- *Section R2-5A-B611. Recognition Leave. [Reserved]*

Draft language for the above-referenced section and subsections follows:]

SUBCHAPTER A. COVERED AND UNCOVERED EMPLOYEES

ARTICLE 4. COMPENSATION SYSTEM

R2-5A-402. Salary Administration

L. ~~Performance pay adjustments. [Reserved]~~ Merit increases.

1. The Director shall establish guidelines for merit increases to base pay.
2. Merit increases shall be available only to uncovered employees unless otherwise specified in the guidelines established by the Director.
3. Subject to the guidelines established by the Director:
 - a. Merit increases may be implemented at the discretion of the agency head.
 - b. Merit increases are subject to the availability of funding and must be within an agency’s appropriation unless otherwise legislatively appropriated.
4. An agency head shall report to the Director on the utilization of merit increases pursuant to the reporting requirements in the guidelines established by the Director.

R2-5A-403. Supplemental Pay

D. ~~Bonuses and Awards. [Reserved]~~ Variable pay.

1. The Director may establish variable pay strategies determined to be the prevailing practices in the market and in the best interest of the state.
2. If the Director establishes variable pay strategies, the Director shall establish guidelines for the administration of variable pay.
3. Variable pay shall be available only to uncovered employees unless otherwise specified in the guidelines established by the Director.

4. Subject to the guidelines established by the Director:
 - a. Variable pay strategies may be implemented at the discretion of the agency head.
 - b. Variable pay strategies are subject to the availability of funding and must be within an agency's appropriation unless otherwise legislatively appropriated.
5. An agency head shall report to the Director on the utilization of variable pay strategies pursuant to the reporting requirements in the guidelines established by the Director.

ARTICLE 6. LEAVE

PART B. PAID LEAVE

R2-5A-B611. ~~Recognition Leave [Reserved]~~ Meritorious Service Leave

- A.** The Director shall establish guidelines for meritorious service leave.
- B.** Meritorious service leave is only available to uncovered employees unless otherwise specified in the guidelines established by the Director.
- C.** The guidelines established by the Director shall include at a minimum:
 1. The maximum number of hours of meritorious service leave that may be awarded to an employee per calendar year;
 2. The maximum percentage of agency employees eligible for meritorious service leave;
 3. A requirement that an employee shall use meritorious service leave within 12 months of receipt of the leave;
 4. A requirement that if the employee does not use the meritorious service leave within 12 months of receipt, that the leave is forfeited; and
 5. A statement that unused meritorious service leave is forfeited upon separation from state employment.
- D.** Subject to the guidelines established by the Director, a meritorious service leave program may be implemented at the discretion of the agency head.
- E.** An agency head shall report to the Director on the utilization of meritorious service leave pursuant to the reporting requirements in the guidelines established by the Director.