Payroll FAQ for PP#13 2019 Residency Incentive & Salary Adjustments

(Revised: 7/2/2019, updated information in purple font)

PAYROLL REVIEW

1) With the implementation of the new Salary Ordinance effective PP13, 2019 and the 3% residency wage incentive to most general city employees, as a payroll clerk, what am I responsible for?

Once DER Pay Services has finalized all rate change processing, HCM will be released to departmental payroll staff to conduct a complete review of all departmental staff to verify they were updated properly. Instructions are included in this FAQ on how to complete that review.

a. The review must be completed **no later than 10am on Monday, July 1, 2019**. Once completed please e-mail derpayservices@milwaukee.gov indicating the review has been completed.
   - Please use the following subject: 2019 3% review complete – Department Name

b. **Departments cannot make entries on staff in HCM until they complete the review of their staff.**

2) Which positions were excluded from the residency wage incentive, and which employees were not eligible for the residency wage incentive?

- What positions were excluded?
- Elected Officials, Board Members, Sworn staff in Fire & Police departments under contract (MPA, MPSO, and Local 215) including Police Liaison Officer, Election Inspectors, & Chief Inspectors.

- What general city/non-sworn staff were not eligible for the 3% residency wage incentive?
  - Employees in/moving to the following titles who received an adjustment of 3% or greater as a result of the implementation of a labor market study in 2019. Note – not all certifications have gone out yet. **Lists of applicable staff will be sent to departments after this FAQ is e-mailed to you if this applies to your employee's.**
    - Fleet Repair Supervisor
    - Fleet Repair Supervisor – Senior
    - HVAC maintenance Technician
    - Infectious Disease Program Manager
    - Senior Water Treatment Plant Operator
    - Vehicle Services Technician
    - Water Plant HVAC Maintenance Technician
    - Water Plant Machine Repairperson
    - Water Plant Machinery Mechanic
    - Water Plant Maintenance Manager
    - Water Plant Maintenance Supervisor
    - Water Plant Operations Manager
    - Water Plant Operations Supervisor
    - Water Treatment Plant Operator
  - Employees who are not City of Milwaukee residents will not be eligible to receive the 3% residency incentive increase.

- Does the 3% residency incentive adjustment impact non-residents?
    - No, these employees are not eligible for the adjustment. However, as a result of the implementation of one standard and uniform wage differential for non-residents, employees who received a differential as a result of Council action in 2013 and 2014 will receive that non-residency differential back effective PP 13.

  A l**ist of employees who received this differential will be sent to departments after this FAQ is e-mailed to you if this applies to employees in your department.**

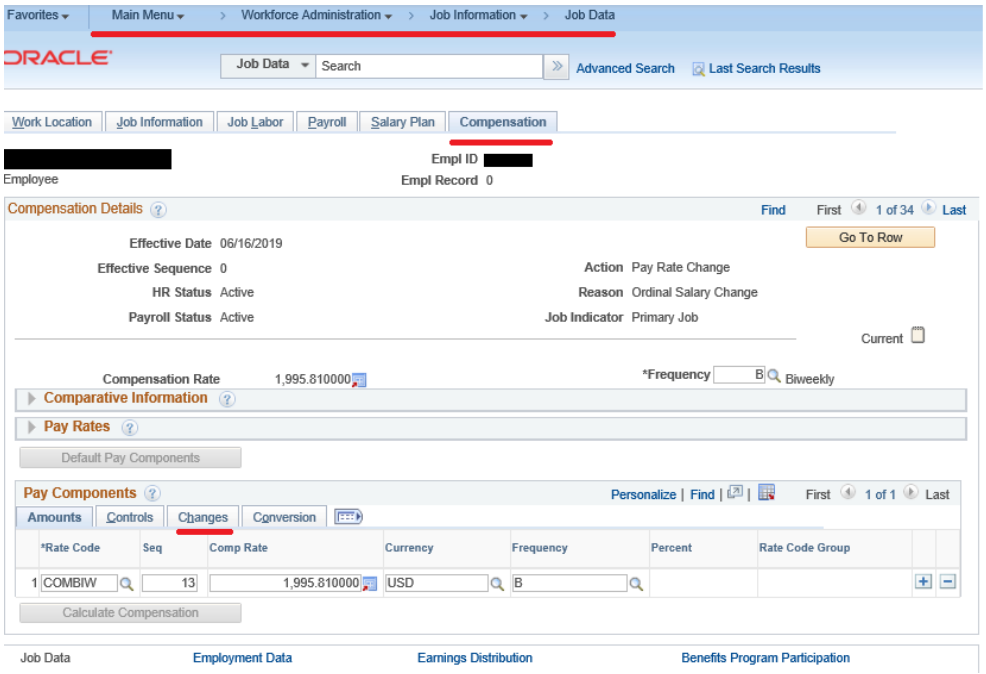
    - General City staff who were non-resident at hire on/after PP13, 2014, or a non-resident before PP13, 2014 would have had a reduction rate of 2.515%.
    - ALEASP staff who were non-resident at hire on/after PP13, 2014, or a non-resident before PP13, 2014 would have had a reduction rate of 3.9896%.
    - General City/ALEASP staff who moved out of Milwaukee on/after PP14, 2014 would have had a reduction rate of 1.0%.
- Who is eligible for the residency incentive increase in PP13, 2019?
    - All City of Milwaukee residents that are general city employees, or non-sworn staff in the Fire and Police departments as well as sworn management unless otherwise specified in #2 under the Payroll Review section above.

3) How do I review the staff in my department?

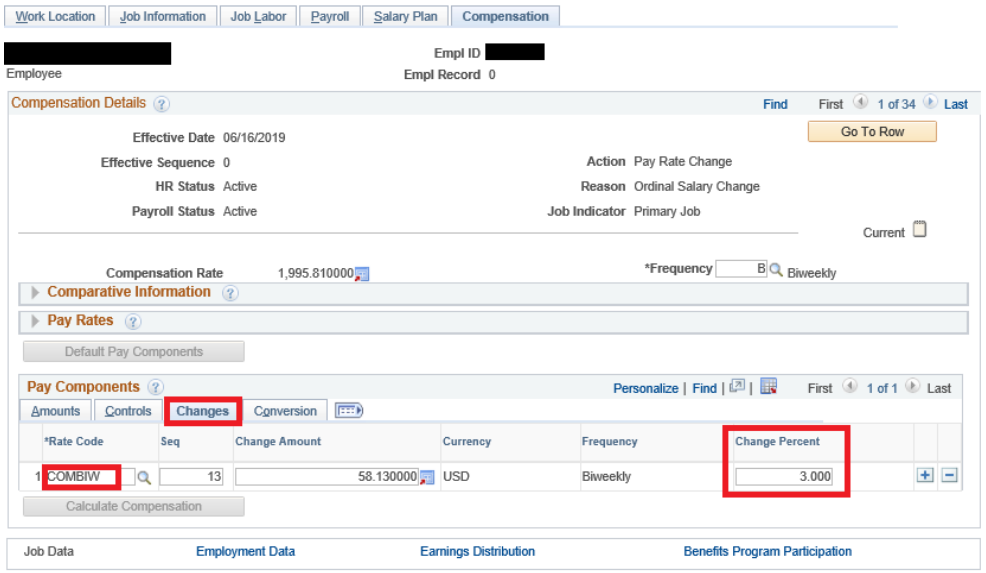
Departments must conduct a complete review of their staff and report back to derpayservices@milwaukee.gov before any new HCM entries for PP13 can be made.

- Run the public query: **Y_DER_ORDINALREVIEW** and export it to excel. This will provide you with a list of all staff to review in your department. It will indicate if they are a resident or not, provide their job titles, and payroll status.
    - Document on this excel list if the employees are correct, note if there are any issues. Send this list back to derpayservices@milwaukee.gov once the review is complete. **List to be sent no later than 10am on Monday 7/1/19.**
- If your employee is eligible for the 3% increase it will be recorded as follows:
    - Effective Date: 6/16/19, Pay Rate Change – Ordinal Salary Change.
    - Rates are increased on the employee's full base rate of pay (COMBIW or COMHR). Updated rate of pay is now the "Resident Wage Incentive."
- If your employee is a non-resident and eligible for their non-resident differential back, it will be recorded as follows:
    - Effective Date: 6/16/19, Pay Rate Change – Non Resident Policy Adj PP13 19.
    - To verify the "Wage Rate" entry is correct, take the base (COMBIW or COMHR) rate prior to this row and multiply using the following formula using the employee's nonresident differential. Calculate as follows: X,XXX.XX * 1.02515 = "Wage Rate"

To review, navigate to Job Data as shown below. Click on the employee's Compensation tab.



- Click on the changes tab on the bottom of the page.
  - On the base rate row, or under rate code look for COMBIW OR COMHR, you should see:
    - Change Percent of 3.0% for employee's eligible for the 3.0%.
    - Change Percent of 1.0%, 2.515%, or 3.989% for employee's who are receiving their nonresident differential back. Verify the differential is correct.
      - This calculation is based on the full time base rate of pay.
    - If you are not seeing a calculation here, do the calculation yourself.
      - Prior rate of pay X 1.03 (or wage differential) = new COMBIW or COMHR rate on the Amounts tab in the Pay Components section.



- In the review of your employees' you are verifying:
    - The correct effective date is entered: 6/16/19
    - The correct action/reason is used:
        - Pay Rate Change – Ordinal Salary Change, for those eligible for 3.0%
        - Pay Rate Change - Non Resident Policy Adj PP13 19, for those nonresidents receiving their differential back
    - The base rate of pay (COMBIW or COMHR) was increased to the correct amount.
        - Verify both primary and secondary jobs.
        - Review records with payroll status of Active, Leave of Absence, and Leave with Pay.

LIFE IN THE NEW SALARY ORDINANCE

4) Question: How do I read the new Salary Ordinance Implemented in PP 13, 2019?

Answer: Effective Pay Period 13, 2019 the Salary Ordinance includes pay rates for both residents and non-residents. **Rates of pay are still located in Part 1: Rates of Pay; Sections 1-11** [Officials & Administrators through Elected Officials]. However they now appear **after** the job title listing, and in the following order:

- Wage Rate (a.k.a. Non-resident): Hourly, Bi-weekly, and Annually.
- Wage Rate Footnotes (a.k.a. Non-resident).
- Resident Wage Incentive: Hourly, Bi-weekly, and Annually.
- Resident Wage Incentive Footnotes.

Part II: Administration; Sections 1-10 [Organization through Rates of Pay for Police liaison and Fire Contract Administrator] includes **ordinance revisions, and clarification of ordinance interpretations such as:**

- Section 4: Pay Progression (pg. 163 – 164)
    - A. Salary Adjustment – *revisions.*
    - B. Salary Anniversary – *revisions.*
- Section 5: Promotions and Special Pay Practices (pg. 164-168)
    - A. Promotions – *clarification of interpretation.*
    - E. Transfers – *Career Ladder Transfer information is now located here.*
    - G. Pension Offset – *clarification (information centralized with subtitles)*
- Section 8: Holiday Pay (pg. 169)
    - A. Eligibility - *revision.*
    - B. Timing – *clarification.*
    - C. Holiday Pay – Full-Time Employee working less than Full-Time – *clarification.*
    - D. Holiday Pay – Part-Time Employees – *clarification*.
- Section 9: Supplemental Pay Practices (pg. 171)
    - K. Special OT Provisions MPD –Technical Communications Division – *clarification.*
    - L. Special OT Provisions MFD – Technical Communications Division – *clarification.*

5) Question: What do I do if I find a discrepancy in the revised Salary Ordinance?

Answer: E-mail Nicole Fleck at nfleck@milwaukee.gov and CC derpayservices@milwaukee.gov. In the communication provide the following information: Part, Section, Subsection if applicable, page number, what specifically is **incorrect** and what it **should state.**

PROCESSING TRANSACTIONS: HOW TO

6) **Question: How do I handle transactions that are dated IN PP 13, 2019 that require a rate change (i.e. promotion, demotion, and job reclassification)?**

Answer: Below are examples of various transactions

- **VOLUNARY DEMOTION OF A NONRESIDENT IN PP13:**
  In this instance the voluntary demotion would be processed first, followed by the return of the non-resident differential. Should the return of the non-resident differential take the employee **OVER** the maximum of the pay grade it **WILL BE ALLOWED** this **ONE TIME**. Going forward individuals will **NOT** be allowed to go over the maximum of the pay grade.

- **NON-RESIDENT WHO IS PROMOTED IN PP13:**
  In this instance the non-resident differential would be returned to the individual first. Then the individual would be given the new appointment/promotion.
  1460.00 bi weekly (current rate)
  X 1.02515 (return of non-resident differential)
  1496.72 bi-weekly, new

- **NON-RESIDENT WHO BECOMES A RESIDENT IN PP12 AND THEN IS PROMOTED IN PP13:**
  In this situation, if the employee were to have become a resident in PP12, 2019. We would Give the employee their non-resident differential, then enter the 3% "Ordinal Salary Change" entry, then lastly enter the appointment (Promotion, etc.)

- **RESIDENT WHO IS PROMOTED IN PP13:**
  In this instance the employee would first receive the 3% resident incentive (Ordinal Salary Change) and then receive the promotional increase.

- **EMPLOYEE WHO TRANSFERS TO A NEW DEPARTMENT IN PP13:**
  Last Saturday of PP 12 would be the Resignation for other city job entry, and then the transfer out entry. First Sunday of PP 13 would be Ordinal Salary Change or Nonresident Policy Adj, then Inter Dept Transfer entry.

- **VOLUNTARY DEMOTION OF A RESIDENT IN PP13:**
  In this instance the employee would first receive the 3% resident incentive (Ordinal Salary Change) and then demotion would be processed.

7) Question: How do I handle transactions that need to be RETRO-DATED (i.e. promotions, demotions, job reclassifications)?

Answer: In this instance we would follow the paradigm of the old salary ordinance and procedures. A link to archived salary ordinances can be found at the end of this document. Since payroll staff cannot make historical entries in HCM, please contact derpayservices@milwaukee.gov for assistance to make the entry.

Since the PP13, 2019 3% Ordinal or Non-Resident Differential increases are based on the rate of pay in effect just prior; we will need to re-calculate this increase.

Rate in effect prior to PP13, 2019 X 1.03 = Updated ordinal rate of pay

- Entry = Effective 6/16/19 Pay Rate Change – Ordinal Salary Adjustment

8) Question: How do I handle transactions that are dated AFTER PP 13, 2019 that require a rate change (effective dated 6/30/2019, or later) such as a promotion, demotion, and job reclassification?

Answer: In this instance we would follow the paradigm of the salary ordinance effective in PP#13 2019. Non-residents would be calculated using the "Wage Rate" ranges and footnotes, and residents would be calculated using the "Resident Wage Incentive" ranges and footnotes. For these transactions, the employee would now go in at the correct rate of pay based on their residency status in the range applicable to that status.

9) Question: How do I handle NEW HIRE /REHIRE transactions that are effective dated in PP 13, 2019, OR after?

Answer: In this instance we would follow the paradigm of the salary ordinance effective in PP13, 2019. Non-residents would be entered using the "Wage Rate" ranges and footnotes, and residents would be entered using the "Resident Wage Incentive" ranges and footnotes. For these transactions, the employee would now go in at the correct rate of pay based on their residency status in the range applicable to that status.

10) Question: How are employee's records updated who are not actively at work?

Answer:

Payroll status of Leave of Absence or Paid Leave of Absence in HCM:

- The transactions were entered on time on the employee's record effective dated 6/16/19.

Payroll status of Suspended.

- When the record is "Recalled from Suspension" to be reactivated for use the employee would either need to be increased to the "Resident Wage Incentive" rate, or receive their "Nonresident Differential" back.
- Procedure: Recall the record, then update the rate of pay with a new row "Pay Rate Change – Salary Correction" and update the rate of pay.
    - Document in general comments the effective date, effective sequence, action/reason, calculation of where you came up with the rate, and why this was done (to give 3% or nonresident differential – because they didn't get it at the time).
    - If the record has been suspended for some time, you would just return them to the current Salary Ordinance rate in that title. Contact derpayservices@milwaukee.gov for guidance if necessary.

PP 13, 2019: NON-RESIDENTS

11) Question: How were the non-residents updated in PP13, 2019 since they were not eligible for the 3% increase?

Answer: Non-residents were reviewed individually based on their time of hire, and/or date they became a non-resident to determine by what differential calculation their compensation was reduced. Employees then had their compensation increased by the same differential by which it had been previously reduced.

NOTE: To ensure equity and reaffirm the uniformity of the policy, non-residents were allowed to go above the maximum of the Salary Ordinance in PP13, 2019 as a result of the Council's decision to return non-resident's the "non-residential differential" by which their salary had been previously reduced, or as a result of the pension-off-set, or a combination of the two. This was a **ONE TIME OCCURRENCE being allowed only in PP13 of 2019 and will NOT carry forward to any future transactions.**

RESIDENCY: EFFECTIVE PP13, 2019 & FORWARD

12) Question: How do I handle residency changes effective PP 13, 2019?

Answer:

- Non-residents at Hire/Rehire will be entered using the "Wage Rate" wages; there will be no further reductions as this is what in the past was called the non-resident rate of pay.
  - At time of hire/rehire the following entry will still be made to indicate the employee is a nonresident:
    - Address Change – Non City Resident @ HIR/REH
  - **Payroll staff should be entering the "Address Change" row on top of the Hire/Rehire row.**
    - Same effective date as the hire, 1 sequence row higher.
    - Notify derpayservices@milwaukee.gov of all nonresidents at hire/rehire.
- If a current General City / Non-Sworn / Sworn Management employee moves out of Milwaukee on/after PP13, 2019, they will be reduced by 3.0% the pay period following the date they moved out of Milwaukee. Entries are as follows:
  - Effective date to the date of move: Address Change – Non City Resident
    - **Payroll staff should be entering the "Address Change" row the same effective date an employee moves out of Milwaukee (for all staff, not just those who get reduced by 3.0%).**
  - Effective date first Sunday of following pay period: Pay Rate Change – Residence Pay Reduction
    - Pay is reduced by 3.0% (/1.03)
    - Notify derpayservices@milwaukee.gov of all move out's that require a reduction and we will enter the reduction row.
- If a nonresident moves in to Milwaukee on/after PP# 13 2019, they will be increased by 3.0% the pay period following the date they moved in to Milwaukee. Entries are as follows:
  - Effective date to the date of move: Address Change – Residency Established
    - **Payroll staff should be entering the "Address Change" row the same effective date an employee moves back in to Milwaukee (for all staff, not just those who get reduced by 3.0%).**
  - Effective date first Sunday of following pay period: Pay Rate Change – Residncy Estblishd-Pay Incrsed
    - Pay is increased by 3.0% (X1.03)

- Notify derpayservices@milwaukee.gov of all move in's that require an increase in pay and we will enter the increase row.

13) Question: What if a non-resident moved in to Milwaukee in PP12, 2019?

Answer: Should a non-resident move into the City in PP12, 2019 the following steps would be taken:

- First: Effective date first Sunday of PP#13, 2019, increase their bi-weekly rate of pay by "non-residential differential" that was previously taken away from them.
- Second: Effective date first Sunday of PP#13, 2019, effective sequence #1, give the employee the 3% "Ordinal Salary Change."

NOTE: This procedure is ONLY relevant to moves into the City in PP 12, 2019.

RESIDENCY & CERTIFICATIONS: EFFECTIVE PP13, 2019 AND FORWARD

As the Salary Ordinance now provides both Wage Rates (a.k.a. Non-resident) and the Resident Incentive Wage Rates it will no longer be necessary to make two HCM entries for non-residents (1 HCM entry at the resident rate, and another HCM entry to show the non-resident reduction).

Effective PP13, 2019 Certifications issued for Hires/Rehires will list both the Wage Rate and Resident Wage Incentive rate. If it's a current employee the certification will only list the applicable rate of pay and indicate which range it's coming from. Only one HCM entry will be required whether the individual is a resident of non-resident. The exception to this being multi-event transactions.

Below is a sample of a Hire Certification, the red boxes show the changes.

City of Milwaukee

Department of Employee Relations (DER)
Operations Division – Staffing & Certification Section
200 East Wells Street, Room 706
Milwaukee, Wisconsin 53202-3554

MILWAUKEE

CERTIFICATION OF ELIGIBLES & NOTICE OF APPOINTMENT
AMENDED

DEPARTMENT/DIVISION

Requisition # **6344**

F&P Auth: **N/A**

MILWAUKEE PUBLIC LIBRARY

Date: **06/18/2019**

[redacted] ***appointed LIBRARY CIRCULATION ASSISTANT I***

Regular Appointment from Original Eligible List Score/Rank: 98 (4)
1805-2635DC-001 - Library Circulation Assistant I

RATE OF PAY*: $1,087.19 Biweekly Wage Rate
$1,119.81 Biweekly Residency Incentive Rate

PAY RANGE: 6EN

**NOTE: Upon verifying the employee's address, please choose the rate of pay listed above that corresponds to the employee's residency status.*

Appointment is conditional upon fulfilling the I-9 requirement with the Department of Employee Relations.

This email is DER's official Certification of Eligibles for this position. No hard copy will be sent to the hiring department. If the hiring department has questions or concerns with the information here related to items such as the name of the eligible certified, the rate of pay indicated as the starting salary or the effective date of appointment, please call extension 5456 immediately.

DEPARTMENT OF EMPLOYEE RELATIONS

Emily Keeley
Certification & Workforce Planning Coordinator

cdh

RESIDENCY: POLICY REMINDER

In accordance with the City's work rules **all employees** are **required** to report any change of address to their department manager and Payroll Representative **within seventy-two (72) hours** of establishing a new residence.

- Effective PP13, 2019 (June 13, 2019): Any employee currently residing in the City of Milwaukee who becomes a non-resident effective PP13, 2019, or thereafter will have their compensation reduced by 3% to the applicable Wage Rate listed in the most current Salary Ordinance. The reduction will be effective the first pay period after the employee becomes a non-resident.
- Similarly, any employee who is a non-resident and becomes a resident of the City of Milwaukee effective PP13, 2019, or thereafter will have their compensation increased by 3% to the applicable Resident Incentive Wage as listed in the most current Salary Ordinance. The increase in compensation will be effective the first pay period after the employee becomes a resident of the City of Milwaukee.

Employees who fail to comply with the reporting requirement may be subject to disciplinary action.

SALARY ORDINANCE DOCUMENTS PRIOR TO PP13, 2019

The City of Milwaukee's Salary Ordinance is revised numerous times throughout the year. As such, it is imperative that each of you as Payroll/HR Representatives are familiar with where Salary Ordinance Archives are maintained. This information may be needed when researching previous pay practices, policies & procedures, job titles and compensation data. For your convenience, the link below will take you to previous Salary Ordinances.

https://mint.milwaukee.gov/MINTLogin?Login=1&returnurl=%2fAdministrativeResour4083%2fSalary-Ordinance-Archives.htm

WHO TO CONTACT FOR ASSISTANCE?

- Assistance with HCM transactions, historical entries, or interpreting the salary ordinance
    - derpayservices@milwaukee.gov