

Pay-for-Performance (P4P)

Frequently Asked Questions

January 2021

Q: The Governor's letter announced P4P increases of 1% for an overall rating of "successful," 2% for "exceeds," and 3% for "exemplary." Do agencies have the flexibility to deviate at all from these percentages?

A: No.

Q: What are the relevant pay change dates?

A: Pay for Performance files for each employee are due to the Auditor's Office on:

2/18/2021

The P4P increase is received on the 3/3/2021 paycheck.

Q: As in the past, there will be a time period in which certain transactions are suspended pending completion of the P4P processing; *specifically those reclassifications involving salary changes, promotions, other salary adjustments and transfers, reports to changes, fund center, location code and department changes*. Any of these changes could generate an intervening row on an employee's PeopleSoft record which would interfere with the file upload. New hires are excluded from this transaction freeze. What are those dates?

A: There will be a payroll suspension effective 2/7/2021 through 2/28/2021.

Q: If a quasi-agency ("separate bodies corporate and politic") or separately elected official has chosen to opt into the State's performance management process, must they adhere to P4P parameters announced by the Governor?

A: Yes.

Q: Are temporary employees or intermittent employees eligible?

A: No.

Q: Are regular, part-time employees eligible?

A: Yes. The file share process with the Auditor of State will perform the calculation for part time employees. For example, for a part time employee who receives an overall rating of successful, the hourly rate will be increased by the percentage amount for the successful rating.

Q: Employees must meet the six (6) month eligibility requirement to receive pay for performance. Does this mean that the employee must actually start work prior to July 1?

A: No. Employees who worked at least six (6) months during the review period are eligible for pay for performance increases based upon their overall rating. For the purposes of this calculation, 6 months' work means consecutive or non-consecutive calendar period(s) for rehired employees.

Q: If an employee returns to work on the partial disability (PDJ) program, are these hours counted toward eligibility?

A: No. Time spent working partial disability jobs are not eligible.

Q: If an employee is on medical leave, can they still receive an increase?

A: Yes. An employee on Family Medical Leave or Short-term Disability is still eligible to receive pay for performance; however, individuals on Long Term Disability will not receive pay for performance.

Q: What about employees who will reach the maximum of the pay range for the classification?

A: Employees at or over the maximum of the pay range will receive a one-time lump sum non-base building bonus equal to the appropriate percent increase. Employees whose salaries are below the maximum will receive a base building increase up to the max and the remaining amount will be paid as a lump sum bonus. Examples are listed below.

Example 1: An employee whose salary is \$75,000 (assume this is the pay range maximum) per year who earns a 2% P4P increase will receive a one-time lump sum non-base building bonus of \$1,500.

Example 2: An employee classified as a Secretary 3 whose salary is \$32,000 and exceeds will receive a 1.32% base building increase up to the pay range maximum of \$32,422 and a lump sum bonus of \$218 (2% of \$32,000 is \$640 - \$422 as base building and \$218 as the bonus).

Q: Are teachers eligible for pay for performance increases?

A: Employees in teaching classifications for the Department of Correction, Indiana School for the Deaf and Indiana School for the Blind and Visually Impaired (Institutional Teachers, Teachers of the Deaf, Supervising Teachers of the Deaf and Teachers of the Blind and Visually Impaired) are eligible and are evaluated on a school year (fall through spring). The pay for performance increases will not be paid in the pay periods mentioned above for other state employees, but will be paid in the paychecks for the first pay period in the next fiscal year (DOC) or academic (ISD and ISBVI) year.

Q: How will salaries be adjusted for the three nursing job classifications (Nurse 4 / 1QC4, Charge Nurse 3 / 1QB3 and LPN/3CH2) that receive step increases annually within their respective salary range?

A: Nurses in these three classifications who are eligible for a step increase will receive that next step increase on their anniversary date. Employees in those three job classifications who are no longer eligible for another step increase will be eligible for the announced pay-for-performance increase in the same manner as other employees.

Q: What about nurses who hold job classifications other than the two mentioned above which receive step increases?

A: Other nursing classifications will be eligible for the announced performance-based pay increases in the same manner as other employees.

Q: What about an employee who transferred to another job at a different state agency and just came to work for us at the end of the year? How do we determine the appropriate pay increase?

A: The best practice is for the former supervisor to complete an Interim Review and provide the new (end-of-year) supervisor the overall rating. In the event the former supervisor does not submit that appraisal, it is the responsibility of the new supervisor to make contact by phone or email and obtain the overall rating for that time period, and a brief description of those results. It is the responsibility of the new supervisor to give due consideration (the appropriate weight) to previous performance in determining the overall rating for the entire year.

Q: We have an employee who will receive an overall rating of Needs Improvement. Is it necessary for the employee to be either (1) placed on a Performance Improvement Plan (PIP), (2) receive a reassignment / demotion or (3) be dismissed from employment?

A: Yes. In consultation with the HR Director you should take the most appropriate course of action that is in the best interest of the agency. One exception: if the Needs Improvement rating is the result of disciplinary action a Performance Improvement Plan (PIP) is not appropriate, and the other two actions may not be necessary.

Q: If an employee received discipline during the year, should s/he receive a pay increase for work that was otherwise meeting or exceeding expectations?

A: Typically, discipline during the calendar year will result in an overall rating of less than successful. However, that decision ought to take all relevant factors into consideration. The assignment of an overall rating is ultimately at the discretion of the agency's management team.