

In April 2013, it was announced that non-contract, non-temporary employees' bi-weekly pay will be increased by 1% of their base salary on two separate occurrences during FY2014 and FY2015. Employees' base salaries will not change as a result of these increases.

Following are Frequently Asked Questions (FAQs) regarding the changes to the State of Iowa's Executive Branch non-contract employee compensation.

Throughout these questions and answers the 1% increases will be referred to as the "1% pay."

FREQUENTLY ASKED QUESTIONS

C1	What employees are eligible for the 1% pay for FY2015 (July 1, 2014 – June 30, 2015)?
	<i>Non-contract, non-temporary employees that are on the payroll the pay period that includes July 1, 2014, are eligible for the 1% pay for FY2015. An employee must remain in an eligible class in order to receive the 1% pay.</i>
C2	Are temporary employees eligible for the 1% pay?
	<i>No, temporary employees are not eligible for the 1% pay.</i>
C3	Are statutory or appointed/elected officials eligible for the 1% pay?
	<i>No, statutory or appointed/elected officials are not eligible for the 1% pay.</i>
C4	Are employees at the maximum of their pay grade still eligible for the 1% pay?
	<i>Yes, all non-contract, non-temporary employees are eligible for the 1% pay if they are on the payroll on July 1, 2014, as long as they are within the salary range of their pay grade.</i>
C5	Are employees whose salary has been red-circled (above the maximum of the pay grade) eligible for the 1% pay?
	<i>No, non-contract, non-temporary employees above the maximum of their pay grade are not eligible for the 1% pay.</i>
C6	Is the 1% pay subject to withholdings?
	<i>The 1% pay is subject to Federal, State, and FICA Taxes and IPERS and POR Retirements.</i>
C7	How will my 1% pay be impacted if I work less than 80 hours in a pay period?
	<i>Your 1% pay will be prorated based on an 80-hour pay period, for your number of regular hours.</i>

C8	How is the 1% pay calculated for FY2015?
	<p>The 1% pay will be calculated using the employee's base salary as of the pay period that includes July 1, 2014. This calculated amount will be included in your regular bi-weekly payroll warrant.</p> <ul style="list-style-type: none"> • Effective June 20, 2014, through December 18, 2014, an employee's bi-weekly pay will be increased by 1% of their base salary as of the June 20, 2014, pay period. • Effective December 19, 2014, an employee's bi-weekly pay will be increased by an additional 1% of the base salary as of the June 20, 2014, pay period. In total, an employee's percent increase in pay on a bi-weekly basis for December 19, 2014, through June 18, 2015, is equal to 2% of the employee's base salary as of the June 20, 2014, pay period. • At the end of FY2015, both the 1% pay effective June 20, 2014, and the 1% pay effective December 19, 2014, will cease. At the end of FY 2015, the base salary will be unchanged from the beginning of FY 2015, unless the employee received a within-grade pay increase during the fiscal year.
C9	Will the 1% pay amount change upon promotion, demotion, or a within-grade pay increase during a fiscal year?
	No, the 1% pay is calculated on your base salary as of the pay period that includes July 1. See Question C8 above for the details of the calculation.
C10	Some employees' total bi-weekly pay (including 1% pay) at the start of FY2015 is less than what it was at the end of FY2014. Why is that?
	<p>For employees who received the 1% pay during FY2014, the 1% pay for FY2015 will <u>not</u> be in addition to the FY2014 1% pay. Rather, the 1% pay from FY2014 will be removed and the 1% pay will be recalculated based on the employee's base salary as of the June 20, 2014, pay period and reset for FY2015. As a result, some employees (generally, those who did not receive a within-grade merit or promotional increase during FY2014) may experience a decrease in total pay (base salary + 1% pay) during the first half of FY2015, when compared to the total pay (base salary + 1% pay + 1% pay) received during the second half of FY2014.</p> <p>For example, if the employee's bi-weekly base salary on July 1, 2013, was \$2000.00, the two 1% pays of \$20.00 each would mean the employee's total bi-weekly pay at the end of FY2014 was \$2040.00 (assuming the employee received no within-grade increase to base salary during FY2014). At the start of FY2015, the employee's base salary would remain \$2000.00, and the 1% pay of \$20.00 would mean the employee's total bi-weekly pay would be \$2020.00 (\$20.00 less than what the employee's total bi-weekly pay was at the end of FY2014). Then, on December 19, 2014, the employee would once again receive an additional 1% pay of \$20.00, making the total bi-weekly pay once again \$2040.00.</p>
C11	Would employees still be eligible for the 1% pay during leave without pay?
	The 1% pay will be prorated based on the number of regular hours; therefore, in any pay period you do not have regular hours, you will not be paid the 1%. As long as you were on the payroll as of July 1, and initially eligible to receive the 1% pay, you will remain eligible in any pay period in which you have regular hours.
C12	I'm receiving catastrophic leave pay. Will I receive the 1% pay on donated hours?
	No, your 1% pay is based on regular hours and catastrophic pay is not part of your regular hours.
C13	Does the 1% pay get added into the calculation for overtime, lead worker, call back pay, standby pay, terminal leave pay, sick leave payout, etc.?
	The 1% pay is not considered part of the base salary for any salary-driven payments. This includes the payouts of vacation and sick leave upon termination.

C14	<i>If I initially qualify for the 1% pay and transfer, promote, or demote out of a non-contract class, then return to a non-contract class within the same fiscal year, will the 1% pay resume upon return to a non-contract class?</i>
	<i>If you transfer, promote, or demote out of a class eligible for the 1% pay, that pay will cease for the remainder of the fiscal year. For questions on eligibility, please see question C1.</i>
C15	<i>If I initially qualify for the 1% pay and terminate, then return to a non-contract class within the same fiscal year, will the 1% pay resume upon reemployment?</i>
	<i>Your 1% pay will cease upon your termination for the remainder of the fiscal year. For questions on eligibility, please see question C1.</i>
C16	<i>Does the 1% pay have any impact on my eligibility for a within-grade increase?</i>
	<i>No, there is no impact on your eligibility for a within-grade increase. However, within-grade increases for non-contract, non-temporary employees are discretionary, and must be accompanied by a current performance evaluation with a rating of at least “meets job expectations.”</i>
C17	<i>Will my base salary change when I receive a within-grade increase?</i>
	<p><i>Yes, your base salary will change to reflect the amount of the increase. However, your 1% pay will not be recalculated based on the within-grade increase.</i></p> <p><i>For example, FY2015:</i></p> <div style="border: 1px solid black; padding: 10px;"> <p><i>June 20, 2014, base salary: \$2,000.00</i></p> <p><i>June 20, 2014: 1% pay = \$20.00</i></p> <p><i>Total Base Salary and 1% Pay: \$2,020.00 (\$2000.00 + \$20.00)</i></p> <p><i>October 10, 2014, within-grade increase: 4.5% * \$2,000.00 = \$2,090.00</i></p> <p><i>October 10, 2014, new base salary: \$2,090.00</i></p> <p><i>Total Base Salary and 1% Pay: \$2,110.00 (\$2,090.00 + \$20.00)</i></p> <p><i>December 19, 2014: additional 1% of \$2,000.00 (salary as of July 1, 2014) = \$20.00</i></p> <p><i>December 19, 2014, total 1% pay: \$40.00 (\$20.00 + \$20.00)</i></p> <p><i>December 19, 2014, base salary: \$2,090.00</i></p> <p><i>Total Base Salary and 1% Pay: \$2,130.00 (\$2,090.00 + \$40.00)</i></p> <p><i>June 19, 2015, base salary: \$2090.00 (1% pay ceases upon end of FY2015)</i></p> </div>
C18	<i>Will the 1% pay increase be figured into my IPERS retirement?</i>
	<i>Yes, the 1% pay increase will be included when IPERS figures your highest average annual salary in the calculation of your IPERS benefit.</i>

If you have any questions, please send an email to employee.benefits@iowa.gov. These FAQs may be updated as other questions are asked.

The State reserves the right to make any changes to the programs described in this communication. Should any of the programs described above be found in conflict with the Iowa code, Iowa code will prevail.