1. Policy Statement
The Division of Facilities Planning and Management (FP&M) values employee contributions and recognizes the importance for eligible classified employees to be paid a fair and competitive wage. Eligible employees may be considered for a Discretionary Equity and Retention Adjustment (DERA) as allowed per the university policy.

2. Purpose
This policy provides FP&M supervisors with a management tool to award monetary adjustments to address equity in pay and employee retention issues. Adjustments may be granted in the form of a base pay increase, a lump sum payment, or a combination of both.

3. Definitions
Discretionary – An employee may receive a DERA if their supervisor supports a nomination for this recognition. The supervisor has the choice to support a nomination—or not—based on employee-specific criteria. The nomination is not granted automatically, but must receive approval from senior FP&M managers.

Pay Equity –
- The employee’s salary has been determined to be lower than that of other employees performing the same or similar duties at the same level of proficiency and who have comparable years of relevant service and/or State service;
- Or there is significant pay compression between the employee and his/her immediate subordinates; or,
- Established labor market data identifies a need to award a market adjustment in order to achieve equity with external public/private employers.

Retention – The employer is aware that the employee is actively seeking other employment and the employee actually has a job offer in hand and the resultant loss of the employee’s knowledge and experience would be a detriment to the agency, therefore, requiring a pay adjustment be made in order to retain the employee.

Base Pay Increase – This compensation increases an employee’s permanent rate of pay.

Lump Sum Payment – This compensation is a one-time payment.

Within Range Pay Steps (WRPS) – Set progression of pay levels as determined by the employee’s classification. See link to classification chart of values under “Alphabetical Listings of Classifications.” [http://oser.state.wi.us/section.asp?linkid=29](http://oser.state.wi.us/section.asp?linkid=29)

4. Scope
Applies to classified permanent and project employees with the following exceptions:
Ineligible:
- Crafts worker and related positions (i.e., trades and shop supervisor positions).
- Employees in non-broadbanded pay ranges.
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March 16, 2015

- Employees currently on probation.
- Employees who have received a below satisfactory performance review, or who have received discipline in the previous 12 months.
- Supervisors who have not completed formal performance evaluations on all subordinate employees within the past 12 months.

5. Procedures
A nomination for a DERA may be initiated by a supervisor, department director or an eligible employee on his/her own behalf.

- The supervisor reviews the budget and rate structure for employees in their unit, evaluates the employee’s performance, and determines if an award is feasible and warranted based on equity or retention. The supervisor recommends the amount of the award and submits OSER-DCLR-224 justification to FP&M Human Resources (HR) manager, and forwards all information to his/her manager for review and approval.
- Final departmental approval for all nominations rests with the department Director. The Director is responsible for reviewing the pay structure of similar positions within the department to avoid creating inequities across the department. If s/he decides to proceed with the award, the justification, type of award (base-building, lump sum or a combination of both) and requested amount of award [number of within range pay steps (WRPS)] must be submitted electronically to the FP&M HR manager.
- Nomination material will be reviewed by the FP&M HR manager within a maximum of 30 days of receipt to confirm that the employee is eligible, and that the nomination is complete. The FP&M HR manager will research pay rate information for similar positions within the division, and/or across the UW System as appropriate. The packet is then forwarded to the Associate Vice Chancellor (AVC) of FP&M for review.
- Final divisional approval for all nominations and final determination of amount of the award (up to a maximum of four WRPS) rests with the AVC or the Deputy AVC.
- If approved at the divisional level, FP&M HR will enter the nomination into the DMC/DERA system. If denied, the action is reported by FP&M HR to the department Director who informs the supervisor of the employee or the nominator.
- All nominations are reviewed by UW Office of Human Resources (OHR). If approved, OHR forwards nominations to the Vice Chancellor for Finance and Administration (VCFA) or the VCFA’s designee for approval or denial.
- If approved by the VCFA or designee, the request is submitted to the Office of State Employment Relations (OSER) for final approval. FP&M HR is notified of final action and informs requestor and AVC/Deputy AVC upon receipt.
- Nominations approved by OSER become effective based on the date entered into the DMC/DERA System.
- If approved, FP&M HR prepares a letter to the employee for signature by the AVC or Deputy AVC announcing the award. The letter is delivered to the Director for delivery to the employee with a copy to the employee’s supervisor.
- NOTE: A DERA may be granted at any time during the fiscal year.
6. References
University of Wisconsin-Madison Discretionary Equity or Retention Adjustment (DERA) Policy (Effective September 2, 2013)

7. Approvals and Revisions
Approved by Associate Vice Chancellor, William M. Elvey, P.E.

Signature: [Signature]
Date: 3/16/15

8. Contacts

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Web Address for this Policy: http://facilities.fpm.wisc.edu/Policies.htm

Next Review Date: March 2016

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