

OPM 01-56

DATE: August 10, 2001

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., Administrator and
Cabinet Secretary of Human Resources

RE: Second Draft of Proposed Pay for Performance Emergency Rules

Enclosed please find a second draft of Merit Rule 530:10-7-27, one of the proposed pay for performance emergency rules. Because of the interest shown in this rule, I have authorized a second comment period to allow interested parties an opportunity to comment on a revised draft of the rule.

If you would like to make comments on the proposed rule, I will consider written comments received in the Office of Personnel Management by 5 p.m., Monday, August 20, 2001. Written comments on the rule proposal may be mailed to Oscar B. Jackson, Jr., Attention: Kimberlee Williams, Office of Personnel Management, 2101 North Lincoln Boulevard, Room G-80, Oklahoma City, OK 73105, or may be faxed to (405) 524-6942, or may be emailed to kimberlee.williams@opm.state.ok.us.

A copy of the proposed rule is attached.

1 **530:10-7-27. Performance-based adjustments**

2 (a) Performance-based adjustments enable Appointing Authorities to award a salary
3 increase or lump sum payment to employees who have achieved an overall rating of
4 "meets standards" or better on their most recent performance evaluation.

5 (b) Appointing Authorities may adopt a performance-based adjustment program for
6 permanent classified full-time and part-time employees pursuant to this Section. The
7 program may allow performance-based adjustments for part-time employees on a pro-
8 rated basis.

9 (c) In order to adopt a performance-based adjustment program, an Appointing Authority
10 must submit a written performance-based adjustment plan to the Administrator. The plan
11 may be amended only on an annual basis. The plan must include:

12 (1) A determination as to how the Appointing Authority intends to award
13 performance-based adjustments. Such determination may be an amount or
14 percentage that the Appointing Authority will award for an overall rating of "meets
15 standards" and "exceeds standards," or the determination may be a total dollar figure
16 the Appointing Authority intends to set aside for performance-based adjustments to
17 be divided among employees achieving an overall rating of "meets standards" or
18 better. Performance-based adjustments shall not exceed 5% of an employee's annual
19 salary for "meets standards" or 10% of an employee's annual salary for "exceeds
20 standards";

21 (2) A determination as to whether the Appointing Authority will award performance-
22 based adjustments as an increase to the employee's salary, a lump sum payment, or a
23 combination thereof;

24 (3) A certification signed by the Appointing Authority that the agency can fund the
25 performance-based adjustment program for the current and subsequent fiscal year
26 without the need for additional funding, and that the plan provides for uniform
27 treatment of all permanent classified employees of the agency who achieve a "meets
28 standards" or "exceeds standards" except as provided in subsection (e). The
29 Appointing Authority shall not delegate authority to sign the certification; and

30 (4) A statement that the Appointing Authority may discontinue performance-based
31 adjustments at any time should it be necessary to prevent a budget shortfall.

32 (d) The performance-based adjustment plan must be approved by the Administrator
33 before the Appointing Authority may grant performance-based adjustments to any
34 permanent classified employee.

35 (e) An Appointing Authority shall not grant performance-based salary increases which
36 cause an employee's base salary to exceed the maximum of the pay band to which the
37 employee is assigned. Such employees may be given performance-based salary increases
38 up to the maximum of the pay band to which assigned and may also receive the
39 remainder of the increase as a lump sum payment.

40 (f) An Appointing Authority may grant only one performance-based adjustment to any
41 employee in any 12-month period. An Appointing Authority shall not award a
42 performance-based adjustment to any employee based upon a performance evaluation
43 which is more than one year old.