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MEMORANDUM

PERSONNEL MEMO 14-07

TO: Cabinet Secretaries
Agency Heads
HR Administrators

FROM: Tim Longmeyer, Secretary *TML*

DATE: May 6, 2014

SUBJECT: Annual Increments: July 1, 2014

The 2014-2016 Budget Bill (House Bill 235) provides for state employee annual increments. Beginning July 1, 2014, annual increments will be granted to all state employees on their individual anniversary dates. An employee's "anniversary date" is the annual increment date which is established based on completion of the employee's initial probationary period in accordance with 101 KAR 2:034 Section 4 (3).

For fiscal year 2014-2015, an annual increment percentage will be provided on the annual base salary of each state employee, as determined by each employee's annual base salary at the time of his or her annual increment date. For fiscal year 2015-2016, an annual increment of 1% will be provided on the annual base salary of each state employee, as determined by each employee's annual base salary at the time of his or her annual increment date.

The following table indicates the percentage of the salary adjustment by employee salary range for fiscal year 2014-2015:

<u>SALARY RANGE:</u>	<u>INCREMENT PERCENTAGE:</u>
\$0 - \$27,000.00	5%
\$27,000.01 - \$36,000.00	3%
\$36,000.01 - \$50,000.00	2%
\$50,000.01 and above	1%

To determine the appropriate tiered increment percentage for hourly and part-time employees, the rate of pay will be converted to annual salary based on the standard 37.5 or 40 hour work week assigned to the position. The percentage will be applied to the employee's base salary.

Additionally, conversions will be made to ensure Department of Education employees who are paid their annual salary over 21 or 24 pay periods receive accurate increases. The Department of Education will be providing additional information to these employees prior to July 1, 2014.

Further detailed guidance to HR Administrators is forthcoming.

If you have any questions, please contact Mary Elizabeth Harrod, Commissioner, Department of Human Resources Administration at marye.harrod@ky.gov.