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## MEMORANDUM

### PERSONNEL MEMO 19-09

**TO:** Constitutional Officers  
Cabinet Secretaries  
Agency Heads  
HR Administrators

**FROM:** Thomas B. Stephens, Secretary

TBS

**DATE:** July 5, 2019

**RE:** Regulation Amendments: 101 KAR 2:034, 101 KAR 3:045

Several amendments to the Personnel Cabinet compensation regulations became effective on July 5, 2019, which will impact agencies and employees. The Personnel Cabinet's Department of Human Resources Administration (DHRA) will be providing any additional guidance, as necessary, to HR Administrators on these changes.

**101 KAR 2:034 - Classified compensation administrative regulations:** Along with general maintenance edits, the regulation is amended as follows:

- **Section 1. New Appointments:** Subsection (2) is amended to add a requirement that new appointment salary comparisons are required to be done only in the same department or office, as opposed to the entire cabinet.
- **Section 2. Reentrance to Classified Service:**
  - o Subsection (2)(a) is amended to discretionarily allow an appointing authority to set the salary of a returning employee to the salary held at the time of the previous separation, if the subsequent employment is in the same pay grade or same job classification held at the time of separation.
- **Section 3. Salary Adjustments:**
  - o Subsection (2)(c) is amended to prevent a demoted employee on promotional probation from being surpassed by initial probation employees in the event of a change to the salary schedule entry level wage. This same amendment is made to 101 KAR 3:045, Section 3(2), which applies to unclassified employees.
  - o Subsection (3)(c) is amended to discretionarily allow an appointing authority to adjust the salary of a reclassified employee up to midpoint of the pay grade. This same amendment is made to 101 KAR 3:045, Section 3(3)(c), which applies to unclassified employees.

- Subsection (9) is amended to clarify that the appointing authority may discretionarily grant a five (5) or ten (10) percent increase, on a prospective basis, to employees who were previously eligible for, but did not receive an increase at the time of a pay grade change applicable to a job classification. This same amendment is made to 101 KAR 3:045, Section 3(9), which applies to unclassified employees.
- Section 6. Salary Schedule Adjustment: This section is amended to prevent incumbent employees from being surpassed by initial probation employees, in the event of a change to the salary schedule entry level wage. This same amendment is made to 101 KAR 3:045, Section 6, which applies to unclassified employees.
- Section 9(5) Critical Position Premium: Establishes a discretionary supplemental premium for filled positions with job duties deemed critical to the operation of the agency.
- Section 11 Adjustment for Continuing Excellence (ACE) Award: Clarifies that a salary adjustment or an ACE award is based on the position in which an employee holds status.

**101 KAR 3:045 – Compensation plan and pay incentives for unclassified service.** Along with general maintenance edits and the amendments mentioned above, the regulation is further amended as follows:

- Section 4: Salary Advancements: This section is amended to clarify that probationary periods set forth in 101 KAR 1:325 apply to any discretionary initial and promotional probation completion increase for an unclassified employee.

Please direct questions to Mary Elizabeth Bailey, Commissioner, Department of Human Resources Administration, at [MaryE.Bailey@ky.gov](mailto:MaryE.Bailey@ky.gov), or Rosemary Holbrook, Executive Director, Office of Legal Services, at [RosemaryG.Holbrook@ky.gov](mailto:RosemaryG.Holbrook@ky.gov).