

**ANNUAL INCREMENT**

- I. **PURPOSE:** The purpose of this policy is to ensure uniform adherence to the established procedures for compensating eligible employees of the State and its spending units for the annual increment payment provided for in West Virginia Code § 5-5-2.

**II. DEFINITIONS**

## A. Eligible Employee

1. Any regular full-time or part-time employee of the State or any spending unit thereof who is eligible for membership in any State retirement system of the State of West Virginia or any other retirement plan authorized by the State; or
2. Any classified employee who is a regular full-time or regular part-time employee of a State institution of higher education governing board, the Higher Education Policy Commission, or the Council for Community and Technical College Education, including all employees of the West Virginia Network for Educational Telecomputing, who holds a position that is assigned a particular job title and pay grade in accordance with the personnel classification system established by West Virginia Code § 18B-9-2, or by the Commission and Council; or
3. Any full-time faculty member who is an employee of a State institution of higher education, the Higher Education Policy Commission, or the West Virginia Council for Community and Technical College Education, who serves as a faculty member designated as such by the president, consistent with approved policy of the appropriate governing board, and those persons with faculty rank who have research or administrative responsibilities.”
4. The mandatory salary increase shall not apply to any employee of the State whose compensation is fixed by statute or by statutory schedule, (except that the clerks, deputy clerks, and magistrate assistants of magistrate courts shall be eligible for the increase and with such increases to be allowable in addition to the maximum salaries and compensation for such employee offices under the magistrate court system statutes in Code § 50-1-1 et seq.), nor shall it be construed to mandate an increase in the salary of any elected or appointed officer of the State. Conservation Officers, whose salaries are fixed by Code § 20-7-1(c), are eligible employees.

- B. **Years of Service:** Full years of totaled service as an employee of the State of West Virginia. Employees who work less than half-time, 0.5 full-time equivalent (FTE), shall not receive years of service credit for such employment.

1. Eligible employees who work at least 0.5 but less than 1.0 FTE accumulate service pro-rata as specified in Subdivision III. A. 6.
2. Years of service excludes any period in which an employee is in a no-pay status such as unauthorized leave, leave of absence (personal, medical, or parental), or suspension, except periods of military service and leave without pay while receiving Workers' Compensation temporary total disability (TTD) benefits, which shall be counted as tenure.



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3. For full-time faculty, each nine or more months of contracted employment during a fiscal year equals one full year of service.
- C. Spending Unit: Any State office, department, agency, board, commission, institution, bureau, or other designated body authorized to hire employees.

### III. POLICY

- A. Every eligible employee with three or more full years of service shall receive an annual increment payment equal to \$60 times the employee's years of service, without limit.
  1. In each fiscal year and on the first day of July, each eligible employee shall receive an annual increment increase of \$60 for that fiscal year. Every employee becoming newly eligible, as a result of meeting the three years of service minimum requirement on the first day of July in any fiscal year, is entitled to the annual increment increase equal to \$60 times the employee's full years of service, where he or she has not in a previous fiscal year received the benefit of an increment computation; and shall receive a single annual increment increase thereafter of \$60 for each subsequent fiscal year.
  2. These incremental increases shall be in addition to any across-the-board, cost-of-living, or percentage salary increases which may be granted in any fiscal year by the Legislature. This shall not be construed to prohibit other pay increases based on merit, seniority, promotion, or other reason, if funds are available for the other pay increases.
  3. The executive head of each spending unit shall first grant the annual increment payment to all eligible employees prior to the consideration of any increases based on merit, seniority, promotion, or other reason.
  4. Exclusions: The annual increment payment shall not apply to any employee of the State whose compensation is fixed by statute or by statutory schedule (except magistrate employees and Conservation Officers), nor shall it be construed to mandate an increase in the salary of any elected or appointed officer of the State. However, this service shall be computed as years of service if the employee subsequently satisfies the definition of eligible employee.

**EXAMPLE:** An individual was employed by the State Police and retired with 19 years of service. If this person is subsequently employed by the Bureau of Employment Programs, effective September 1, he or she is eligible for an increment payment of \$1140 on July 1 of the next fiscal year.
  5. Schedule of Payment: During the month of July, the Auditor's Office shall make such payment for this annual salary supplement in a lump sum payment. Eligible employees on leave of absence without pay at the time payment is made shall receive their annual increment payment concurrently with all other employees.
  6. Part-time Employees: Eligible part-time employment of 0.5 FTE or more is cumulative and shall be included when computing full years of service credit. Years of service for part-time



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employment is calculated by multiplying each period of service by its respective FTE and then totaling all service.

**EXAMPLE 1:**

02 years 04 months of service at 0.5 FTE	=	01 year 02 months
04 years 08 months of service at 0.6 FTE	=	02 years 10 months
<u>03 years 03 months of service at 0.8 FTE</u>	=	<u>02 years 07 months</u>
TOTAL SERVICE		06 years 07 months

**TOTAL FULL YEARS OF SERVICE = 6 years**

6 years x \$60 per year = \$360 Increment Payment (gross)

**EXAMPLE 2:**

04 years 10 months of service at 1.0 FTE	=	04 years 10 months
00 years 08 months of service at 0.5 FTE	=	00 years 04 months
02 years 02 months of service at 1.0 FTE	=	02 years 02 months
<u>01 year 06 months of service at 0.8 FTE</u>	=	<u>01 year 02 months</u>
TOTAL SERVICE		08 years 06 months

**TOTAL FULL YEARS OF SERVICE = 8 years**

8 years x \$60 per year = \$480 Increment Payment (gross)

7. Employees in a No-Pay Status:

- a. An eligible employee who has been in no-pay status for a **portion** of the fiscal year for which payment is being made shall receive an annual increment, based on the employee's totaled full years of service credit as of close of business on June 30.
- b. The employee shall be eligible to receive the pro rata share of the annual increment to which he or she is entitled; however, the employee shall not be credited with holidays or accrue increment pay, annual leave, sick leave, or tenure for the period for which severance pay is received.

**EXAMPLE:** If an employee had 10 years, 4 months total eligible service as of June 30, 2008, and is suspended without pay, placed on unauthorized leave, or granted a leave of absence (except military leave or leave without pay while receiving Workers' Compensation TTD benefits) without pay for six months during the next fiscal year, his or her full years of service on June 30, 2009, would remain 10 years and he or she would be entitled to an annual increment payment of \$600 (10 years x \$60 increment) for that fiscal year.



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- c. Where the employee provided no service during the fiscal year, the employee shall receive no annual increment payment, consistent with the provisions of W. Va. Code § 12-3-13. However, an employee on leave without pay while receiving TTD benefits or on leave without pay for military service shall receive an annual increment payment and shall accrue years of service while on such leave without pay.
- B. Separating employees shall be paid the annual increment on a pro rata basis for the portion of service rendered by the employee during the current fiscal year of employment.
1. Such service period shall include tenure value of any terminal annual leave, regardless of the method of payment.
  2. The prorated portion an employee receives upon separation prior to June 30, shall be based on his or her totaled full years of service, and shall be computed based on the months of service rendered in the fiscal year in which the employee terminates. However, if the employee returns during the same year that he or she had been paid a pro rata annual increment payment upon termination, he or she will only be eligible for the balance between the previously paid pro rata portion and a full increment share. It may be necessary to recalculate years of service.

**EXAMPLE 1:** An employee has 19 years and 6 months of qualifying State service as of June 30 and receives an annual increment payment in the gross amount of \$1140. This employee later resigns, effective December 31. At the time of his or her resignation, he or she has 20 years of service, and is eligible to receive a pro rated increment payment for the 6 months he or she worked in the current fiscal year. Although the employee's totaled eligible State service now equals 20 years, he or she worked for only 6 months of the current fiscal year and is eligible to receive an increment in the gross amount of \$600.

	Total Full Years of State Service:		20	
x	<u>\$60 Per Year</u>	:	<u>\$ 60</u>	x
	Annual Increment Entitlement		\$1200	
	Annual Increment Entitlement:		\$1200	
÷	<u>12 Months</u>	:	<u>12</u>	÷
	Monthly Rate of Entitlement:		\$ 100	
	Monthly Rate of Entitlement:		\$ 100	
x	<u>Months Worked in Fiscal Year:</u>	:	<u>6</u>	x
	Gross Annual Increment Payment:		\$ 600	

**EXAMPLE 2:** An employee has 19 years and 2 months of qualifying State service as of June 30 and receives an annual increment payment in the gross amount of \$1140. This employee resigns, effective September 30. At the time of his or her resignation, he or she is eligible to receive a pro rated increment payment for the 3 months he or she worked in the current fiscal year. The employee's full years of totaled eligible State service remains 19 years, and he or she worked for only 3 months of the current fiscal year and is eligible to receive an increment in the gross amount of \$285.



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	Total Full Years of State Service		19
x	<u>\$60 Per Year</u>	x	<u>\$ 60</u>
	Annual Increment Entitlement:		\$1140
	Annual Increment Entitlement:		\$1140
÷	<u>12 Months</u>	÷	<u>12</u>
	Monthly Rate of Entitlement:		\$ 95
	Monthly Rate of Entitlement:		\$ 95
x	<u>Months Worked in Fiscal Year:</u>	x	<u>3</u>
	Gross Annual Increment Payment:		\$ 285

3. When there are sufficient monies in the agencies' budgets, the annual increment must be paid within the next pay period subsequent to separation. However, if sufficient funds are not available, it shall be paid from the next fiscal year's appropriations for increment payment.
  4. Employees Transferring: Any eligible employee who transfers from one State agency to another during the course of a fiscal year shall be paid an annual increment by the agency that employs him or her on July 1 of the fiscal year. Increment payment obligations are not prorated between agencies.
- C. The employee is responsible for obtaining verification of qualifying service and such service must be verified from each former State employer. The verification shall specify if the service was full-time or the portion thereof.
- D. In accordance with the U.S. Department of Labor ruling of August 26, 1985, the increment payment shall be included when computing the rate of pay for overtime payment for employees covered by the Fair Labor Standards Act, who work in excess of 40 hours in any workweek.

## IV. REFERENCES

- A. Department of Finance and Administration ANNUAL INCREMENT GUIDELINES: for West Virginia Code § 5-5-1.
- B. West Virginia Code § 5-5-2, as amended (originally effective July 1, 1985).
- C. West Virginia Code § 23-5A-4.
- D. Title 38 U.S. Code, Chapter 43, Sections 4301-4333, Public Law 103-353, "Uniformed Services Employment and Reemployment Rights Act (USERRA)."
- E. Subsections 3.2(a) and (b), Division of Personnel's Workers' Compensation Temporary Total Disability Rule, 143 CSR 3.
- F. State ex rel Erwin v. Gainer, No. 16791 (Aug. 2, 1985) (Unpublished Order); Courtney v. Dept. of Health, 182 W.Va. 465, 388 S.E. 2d 491 (1989).



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- G. U.S. Department of Labor Opinion Letter, dated August 26, 1985.
- H. Op. Att’y Gen., August 17, 1988, No. 3.
- I. Op. Att’y Gen., June 28, 1985, No. 11.
- J. Op. Att’y Gen., June 27, 1990, No. 37.
- K. Bush v. W.Va. Department of Health and Human Services/Bureau for Children and Families & Division of Personnel, Civil Action No. 98-AA-173 (Kanawha County, WV) (Feb. 14, 2000).
- L. Canfield et al v. WV Division of Corrections 617 S.E.2d 887 (W. Va. 2005).
- M. West Virginia Code § 18B-9-2.
- N. West Virginia Code § 18B-8-1.

**V. EFFECTIVE DATE:** March 1, 1992.

**VI. REVISIONS**

- A. Previous Revisions: July 1, 1993; October 19, 1996; May 15, 1997; April 20, 1999; June 17, 1999; July 1, 2000, July 1, 2003, June 1, 2004, November 1, 2005, and July 1, 2006.
- B. Latest Revision: July 17, 2008.

**VII. POLICY NUMBER:** DOP-P5.

Approved and Issued By:

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Otis G. Cox, Director  
West Virginia Division of Personnel

Date Signed: July 17, 2008.