



STATE OF IDAHO

MEMORANDUM

DATE: May 15, 2012

TO: Executive Agency Fiscal and HR Officers

FROM: Wayne L. Hammon, DFM Administrator
Vicki Tokita, DHR Administrator

RE: Clarification on statewide policies

Wayne L. Hammon
Vicki Tokita

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Our offices wrote to you on May 9, 2008 outlining clarification on retroactive changes to employee pay. In that memo, we notified you that we would no longer approve these actions. Since that time the number of retroactive changes has dramatically decreased. You and your staff are to be commended for your diligence on this front.

It has come to our attention that there are the rare occasions when a retroactive change may be warranted. This includes times when a clerical error resulted in an incorrect pay rate having been entered through no fault of the employee and limited other situations.

While DFM and DHR reaffirms the position that we will not approve retroactive increases as a routine matter of business, retroactive changes may be considered if the change is a correction [see example below] and if the change is initiated within two months of the effective date of the initial action.

Example A: Employee Jani Doe, who was initially hired at a salary of \$19.00, successfully completed her entry probationary period and has been awarded a 5% increase in pay – bringing her compensation to \$19.95. While entering the change, the HR clerical staff inadvertently entered Jani's new pay as \$19.59. Jani noticed the mistake when she received her first paycheck and contacted HR. The agency submitted a request for a retroactive increase to correct the mistake within the two month grace period. Such a request would normally be approved.

Example B: On June 1, the fiscal officer in an agency notifies agency leadership that there are sufficient funds in this year's budget to award salary increases. Because they have the money, the agency wants to back-date the increases to early April. Such a request would not be approved.

Please contact your DFM Budget Analyst if you have any additional questions or need for further assistance. You may view the statewide HR policies on the DHR website.