



## STATE OF IDAHO

May 5, 2014

### MEMORANDUM

**TO:** Executive Branch Agency/Department Heads  
(with the exception of Constitutional Officers)

**CC:** Agency/Department Fiscal Officers  
Agency/Department HR Officers

**FROM:** Jani Revier, DFM Administrator

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David Fulkerson, DHR Interim Administrator

A handwritten signature in blue ink, appearing to read "David Fulkerson", is written over a horizontal line.

**SUBJECT: Retroactive Pay Changes**

DFM and DHR will not approve retroactive increases as a routine matter of business, however, retroactive changes may be considered if the change is a correction and if the change is initiated within **two** months of the effective date of the initial action. It is important that all employee pay change transactions are processed with the correct amount and effective date. Please remind your staff involved in processing employee pay transactions to pre-audit their work to ensure accurate and timely processing. Additionally, please remind your staff to check their paychecks to ensure they are receiving the proper pay.

*Example:*

Employee John Doe, who was initially hired at a salary of \$19.00, successfully completed his entry probationary period and has been awarded a 5% increasing pay – bringing his compensation to \$19.95. While entering the change, the HR clerical staff inadvertently entered Mr. Doe's pay as \$19.59.

**Acceptable:** Mr. Doe noticed the mistake when he received his 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.

**Unacceptable:** Mr. Doe does not check his paycheck and doesn't realize he was not getting his full increase. Six months later when cleaning up a spread sheet HR noticed the mistake. Such a request would not be approved.