

NOTE: An approved Optional Pay policy is required before any agency delegated actions may be taken.

This job aid provides guidance to agencies when granting Optional Pay Adjustments for temporary additional duties under Civil Service Rule 6.16.2(c). Adjustments for temporary additional duties may be awarded in one of two ways:

- One-Time Lump Sum Payment – at the completion of the duties.
- Biweekly Recurring Lump Sum Payment – for the duration of duties, not to exceed one year.

Optional Pay policy standards can be found in [Procedures: Optional Pay Adjustments – Policy Standards](#) and frequently asked questions may be found in [Job Aids & Resources: FAQs – Optional Pay Additional Duties](#).

One-Time Lump Sum Payment Calculation

Scenario

An employee was assigned temporary additional duties that lasted for six months, June 9, 2014 through December 21, 2014 (14 pay periods). The agency would like to grant the employee a 7% lump sum payment now that the duties have been completed using their Optional Pay policy. The employee’s annual salary is \$40,000. To determine the lump sum payment for the employee, HR should base the calculation on the salary earned within the six month period.

	CORRECT	INCORRECT
1	<p>Determine current hourly rate of pay. $\\$40,000 \div 26 \div 80 = 19.230769 \rightarrow \\$19.23/\text{hr}^*$ *Hourly rates should always be rounded to the second decimal place.</p>	<p>$\\$40,000 \times 0.07 = \\$2,800$ Lump Sum Amount</p>
2	<p>Calculate percentage increase (7%) based on hourly rate of pay. $\\$19.23/\text{hr} \times 1.07 = \\$20.58/\text{hr}$</p>	<p>**This calculation is incorrect because:</p> <ul style="list-style-type: none"> • All pay calculations should be based on the hourly amount. • This calculation grants the employee a lump sum amount based on 12 months of work versus the six months the additional duties were actually performed.
3	<p>Determine the dollar amount of the percentage increase. $\\$20.58 - \\$19.23 = \\$1.35/\text{hr}$ Optional Pay Adjustment*</p> <p><small>*This amount is the difference between the hourly rate including the percentage increase (Step 2) and the employee’s base pay (Step 1).</small></p>	<ul style="list-style-type: none"> ○ This may be considered a donation of state funds.
4	<p>Calculate lump sum payment based on the length of time additional duties were performed. (6 months/14 pay periods) $\\$1.35 \times 80 \times 14$ pay periods = \$1,512.00 Lump Sum 7% Optional Pay Adjustment</p>	

For assistance with LaGov HCM data entry, please refer to the [SCS Entry Guidelines](#).

Biweekly Recurring Lump Sum Payment Calculation

Scenario

An employee has been assigned temporary additional duties to be performed for six months, June 9, 2014 through December 21, 2014 (14 pay periods). The agency would like to grant the employee a 7% lump sum optional pay adjustment given as a biweekly recurring payment throughout the length of the six months. The employee's annual salary is \$70,000. To determine the recurring biweekly pay for the employee, HR should base the calculation on the salary earned within the six month period.

NOTE: This example assumes the agency knows the length of the duties and the calculation is based on base pay at the time the duties were assigned.

CORRECT	INCORRECT
<p>1 Determine current hourly rate of pay. $\\$70,000 \div 26 \div 80 = \\$33.653846 \rightarrow \\$33.65/\text{hr}^*$ *Hourly rates should always be rounded to the second decimal place.</p> <p>2 Calculate percentage increase (7%) based on hourly rate of pay. $\\$33.65 \times 1.07 = \\$36.01/\text{hr}$</p> <p>3 Determine the dollar amount of the percentage increase. $\\$36.01 - \\$33.65 = \\$2.36/\text{hr}$ Optional Pay Adjustment*</p> <p><i>*This amount is the difference between the hourly rate including the percentage increase (Step 2) and the employee's base pay (Step 1).</i></p> <p>4 Calculate biweekly recurring lump sum payment. $\\$2.36 \times 80 = \\188.80 Biweekly Recurring Payment to be disbursed for the six month duration of the additional duties</p> <p>Total Amount Employee Received $\\$188.80 \times 14 \text{ pay periods} = \\$2,643.20$</p>	<p>The most common error made when disbursing biweekly recurring payments is inadvertently issuing payments after additional duties have been completed. This may be a result of:</p> <ul style="list-style-type: none"> • Not setting a specified end date within LaGov HCM. • HR not receiving notification when the duties were removed/completed.

For assistance with LaGov HCM data entry, please refer to the [SCS Entry Guidelines](#).

Please keep in mind the examples above speak to situations in which the duties performed were completed on the last day of a pay period. If you have an instance where the temporary additional duties end in the middle of a pay period, please contact your SCS Compensation Consultant for assistance with calculations.

Further information regarding this job aid or process should be directed to the SCS Compensation Division, (225) 342-8083.