

## **Frequently Asked Questions Concerning the Compensation Enhancement Act**

### **Q: What is the Compensation Enhancement Act?**

*A: The Compensation Enhancement Act is a legislative proposal designed to continue the state's commitment to increasing state employee salaries and to implement market and performance-based pay. These components continue Tennessee's focus on recruiting, retaining, and rewarding a talented workforce, while maintaining a competitive salary structure. Currently, an executive branch employee who has completed 36 months of service or more is eligible for a one time supplemental payment of \$100 per year of service on the employee's service anniversary date. Under the proposal, as amended, current executive branch employees would continue to receive this payment as they always have. Any employee hired into one of the impacted agencies after June 30, 2015 would not be eligible to receive longevity.*

### **Q: Will funds be available every year to ensure that employees get the raises that are mentioned in the Compensation Enhancement Act?**

*A: Fund availability is based upon the annual budgeting process, which must be approved by the legislature.*

### **Q: Which departments that fall under the Executive Branch would be impacted by this legislation?**

*Please [click here](#) for a complete list of Executive Branch departments, agencies, boards and commissions impacted by this legislation.*

### **Q: Why does this only apply to Executive Branch of government?**

*A: The T.E.A.M. Act only provides oversight and administration for members of the executive branch, which gives authority to implement performance based compensation.*

### **Q: How can I ever get a merit increase when my supervisor says they cannot rate me higher than Valued?**

*A: There appears to be some confusion about the ability of raters to assign review ratings beyond the valued level of performance. The rating scale*

*ranges from unacceptable performance through outstanding performance. It is important to note that outstanding performance does not necessarily mean perfection. Advanced and outstanding performance must be achievable. While these ratings may not be commonly seen, it is certainly possible for an employee to exceed stated expectations (which are set at a valued and expected performance level) and earn a rating of advanced or even outstanding. To achieve a rating of advanced or outstanding, a solid performer would consistently go above and beyond the stated performance work outcomes. Performance warranting a rating of outstanding must also affect measurable improvements in organizational performance.*

**Q: How can you ensure that performance ratings are objective and reduce favoritism so that we all have a fair chance at receiving pay for performance?**

*A: The T.E.A.M. Act requires that performance plans must be S.M.A.R.T. (Specific, Measurable, Achievable, Relevant and Time Sensitive). The performance planning process also provides certain oversight in the rating process. Each performance plan must be approved by a reviewer, which is an individual separate from the rater. Each interim and the final evaluation must also be approved by this reviewer. In addition, an appointing authority must approve any outstanding or unacceptable rating.*

**Q: I have questions about the performance management process. Who can I talk to?**

*A: The Department of Human Resources Division of Employee Relations can serve as a resource if you have questions about the performance management process. You may also find information on the DOHR website found at <http://www.tn.gov/dohr/ogc-er/performance/perform.shtml>.*

**Q: Will this reduce my retirement benefits?**

*A: No. Please refer to the [Tennessee Consolidated Retirement System's](#) website for questions concerning retirement calculations.*

**Q: Where can employees direct questions regarding the Act?**

*A: Employees may direct questions to [Compensation.Enhancement@tn.gov](mailto:Compensation.Enhancement@tn.gov).*