

Iowa Department of Human Services
M-40 Guide

Complete an M40 when you would like to request special pay for an employee or potential employee.

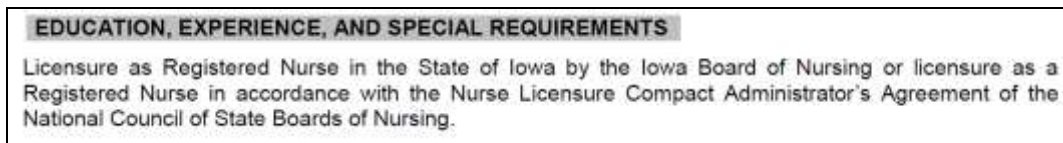
- ◆ All requests must be approved by DAS PRIOR to making an offer
 - ◆ Most common special pay actions you will use this form for:
1. **Advanced Appointment Rate (AAR)**- when a candidate requests more than the minimum pay in the job class they are being offered in (ex. the minimum pay for the LPN job classification is 23.30/hr or \$1856.00/bi-weekly. The candidate asks for a starting pay of \$30.00/hr)
 2. **Recruitment/Retention Payment**
 - ◆ DAS has approved a \$3,000 recruitment payment to newly hired RNs
 - ◆ Use when appointing authority requests a retention payment for a current employee
 3. **Lead Worker**- when a supervisor requests lead worker pay for an employee. This employee has to lead 2 or more staff

Additional resources/documentations needed to complete:

1. **Job classification pay range** ([Iowa Department of Administrative Services \(DAS\)](#))
 - ◆ Some job classifications have multiple classes, ensure you are choosing the correct class code. You can find this number following the position number
 - ◆ Example:



2. **Job Class Description**
 - ◆ Minimum qualifications can be found under the position description under “EDUCATION, EXPERIENCE, AND SPECIAL REQUIREMENTS” section
 - ◆ Example:



3. **Applicable Special Pay Calculator(s)**
 - ◆ <https://das.iowa.gov/sites/default/files/Pre-AuditCalculators.xlsx>
4. **Position Description Questionnaire**

Advanced Appointment Rate (AAR):

- ◆ When a potential candidate requests a higher rate than the minimum pay in the job classification, ask: are the other employees in that job class with similar years of experience making what the new candidate has requested?
 - Yes- proceed to follow the instructions below
 - No- see equalization of job classification steps
- ◆ If candidate qualifies for a higher percentage than they request, to figure their AAR rate based on their request, you will need to lower the % increase in box 5, until you see the rounded hourly pay hit the requested hourly rate.

Instructions:

1. Use the candidate’s resume or application to calculate how many years/months of qualifying education and experience they have for the position in which they are a candidate for.

LPN candidate has the 2 years of education and her license, 6 years of LPN experience, and 5 years and 4 months of CNA experience.

	6	years of LPN experience
+	<u>2</u>	years education/license
	8	years’ experience total

2. Plug in the years of education/experience numbers into the AAR calculator (instructions and example below)

Advanced Appointment Rate calculator instructions:

1. Enter the minimum bi-weekly amount for the job classification
2. **Score Required for Minimum Qualifications:** How many years of qualifying experience is needed for the candidate to meet minimum qualifications? (LPN = 2.00)
3. **Actual Score:** How many years of qualifying experience does the candidate have (including years of minimum qualifications) (ex. 2 education+6 years LPN experience =8.00)

Difference: generates automatically (8-2=6.00)

4. **Total % Increase:** generates automatically- this number is inputted in **box 5**
5. Total % Increase from **box 4**
6. Number comes from the **New/Adjusted Bi-Weekly Pay box.**

Current Bi-weekly Pay	(*) % Increase	(=) Adjusted Bi-weekly Pay	(/) By 80 Hours	(=) Gross Hourly Pay	Rounded Hourly Pay	(*) 80 Hours	(=) New/Adjusted Bi-weekly Pay	(*) # of Pay Periods	(=) New/Adjusted Annual Salary
\$1,856.00	0.300	\$2,412.800000	80	\$30.160000	\$30.16	80	\$2,412.80	26	\$62,732.80

Enter Values Here:		Current Annual Pay: \$48,256.00	
Current Bi-weekly Pay:	\$1,856.00	+ Annual Adjusted Income: \$14,476.80	
% Increase (2.5, 10, etc.):	30.00	Adjusted Annual Pay: \$62,732.80	

Adjusted Pay	
Adjusted Annual Pay:	\$62,732.80
Adjusted Bi-weekly Pay:	\$2,412.80

**** Note: Only cells F11, F12, D21, D22, and K25 are not locked.**

Calculating Advanced Appointment:		Follow the numbered sequence to calculate results! See Explanation Page for more info.																		
Score Required for Min Qual:	2.00	<table border="1"> <thead> <tr> <th>Range:</th> <th>Min</th> <th>Mid</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Annual</td> <td>\$48,256.00</td> <td>\$60,777.60</td> <td>\$73,299.20</td> </tr> <tr> <td>Biweekly</td> <td>\$1,856.00</td> <td>\$2,337.60</td> <td>\$2,819.20</td> </tr> <tr> <td></td> <td></td> <td>25.95%</td> <td>51.90%</td> </tr> </tbody> </table>			Range:	Min	Mid	Max	Annual	\$48,256.00	\$60,777.60	\$73,299.20	Biweekly	\$1,856.00	\$2,337.60	\$2,819.20			25.95%	51.90%
Range:	Min				Mid	Max														
Annual	\$48,256.00				\$60,777.60	\$73,299.20														
Biweekly	\$1,856.00				\$2,337.60	\$2,819.20														
		25.95%	51.90%																	
Actual Score:	8.00																			
Difference:	6.00																			
% Increase per Difference:	5.00%																			
Total % Increase:	30.00%																			

Note: this % cannot take salary over cap for paygrade. Remember to consider what other employees' pay is before making the offer. Don't forget we need DAS approval BEFORE making any offer.	1	Enter bi weekly salary minimum
	2	Enter minimum qualification score needed to qualify
	3	Enter actual score for education and work experience
	4	Compare calculation score result to what is desired
	5	Enter desired % increase above minimum here
	6	Use re-calculated bi weekly salary amount for request
	7	Enter bi weekly salary maximum

Name:	
Classification:	

Fill out the M40 document:

Check type of action (and EXTENSION, if applicable):

<input checked="" type="checkbox"/> Advanced Appointment Rate	<input type="checkbox"/> Change of Duty Station
<input type="checkbox"/> Higher Rank Allowance for SPOC	<input type="checkbox"/> Exceptional Job Performance
<input type="checkbox"/> Increased Credentials	<input type="checkbox"/> Special Duty
<input type="checkbox"/> Lead Worker	<input type="checkbox"/> Extraordinary Duty for a Class of Employees
<input type="checkbox"/> Red Circle	<input type="checkbox"/> Extraordinary Duty for an Employee
<input type="checkbox"/> Shift Differential/Standby/Call Back (OT Exempt)	<input type="checkbox"/> Recruitment/Retention Payment
<input type="checkbox"/> EXTENSION	

Employee/Candidate/Class: Employee's Name

Agency Name: Department of Human Services- Facility

Current 18-Digit Payroll Number: 6-digit position number

Job Class Title: position title Biweekly Base Pay: \$minimum of job class

Effective Date: Upon Hire Expiration Date (if applicable): N/A

Provide the justification for this action in the space below and complete the appropriate section on the next pages. Attach additional sheets, as needed.

Describe the candidates qualifications and how many years above the minimum qualifications they have. Explain why an AAR is justified. Being very clear so the readers do not need to search for anything:

Example: This candidate has been an LPN since 1994. Not only does she have great experience, she demonstrates longevity in her positions. This candidate has only listed her last two positions on her application and has experience beyond the 11.50 years listed. It has been difficult to find LPN candidates. We currently have two open LPN positions.

Minimum Qualifications for job class: LPN license

Experience beyond minimum qualifications: $11.50 * 5\% = 57.50\%$

Although this candidate qualifies for the max (51.90%) above minimum, we are only requesting \$31.00/hour or \$2,480.00. This is 33.60% above minimum.

Check (X) Boxes Where Appropriate

Advanced Appointment Rate 11 IAC 53.5(1) (Individual) 11 IAC 53.5(2) (Blanket)

Minimum biweekly base pay of applicable pay grade: \$ from the job class pay range

New Employee: Additional percentage above the minimum biweekly base pay: box five from calculator%

Current Employee: Additional percentage above the employee's current biweekly base pay:

Proposed biweekly base pay: \$box six from calculator (must be divisible by 80)

If applicable, attach the names and qualifications for current employees to be adjusted due to equivalent qualifications (11 IAC 53.5(1)). Additional information documenting the economic or employment conditions must be submitted when requesting a blanket advanced appointment rate (11 IAC 53.5(2)).

For help in calculating percentages, you may refer to the [Advanced Appointment Rate Calculator](#).

Submit documents in this order:

1. M40
2. Application/Resume
3. Special Pay Calculator
4. Class Pay Plan
5. Job Description

Recruitment/Retention Payment:

- ◆ Lump sum payment that serves as a recruitment incentive.
- ◆ To be eligible for recruitment payment, a labor market shortage must exist for that specific position and location.
- ◆ Eligible employees will receive \$3,000.00 recruitment payment as a lump sum which is to be included in their first check.
 - Eligible employees will be required to sign the agreement form titled: Agreement for Recouping Recruitment, Retention, Education, and Relocation Payments

An employee is **eligible** for a recruitment payment if:

- ◆ They are a newly hired permanent full-time employee who is an RN and works over 30 hours per week
- ◆ A temporary and permanent part-time employee who is hired as a permanent full-time employee and works over 30 hours per week

An employee is **not eligible** for a recruitment payment if:

- ◆ The employee is in a temporary position; or
- ◆ The employee works less than 30 hours per week; or
- ◆ The employee has received a recruitment payment in the last year from another executive branch agency;
- ◆ The Department has paid any contract placement or recruitment fees; or
- ◆ The employee resigned from the Department within the last year.

Filling out the M40 for a Recruitment Payment:

1. If the eligible employee is requesting an Advanced Appointment Rate, submit one single M40 for both special pays by checking both boxes in the top section

Check type of action (and EXTENSION, if applicable):	
<input checked="" type="checkbox"/> Advanced Appointment Rate	<input type="checkbox"/> Change of Duty Station
<input type="checkbox"/> Higher Rank Allowance for SPOC	<input type="checkbox"/> Exceptional Job Performance
<input type="checkbox"/> Increased Credentials	<input type="checkbox"/> Special Duty
<input type="checkbox"/> Lead Worker	<input type="checkbox"/> Extraordinary Duty for a Class of Employees
<input type="checkbox"/> Red Circle	<input type="checkbox"/> Extraordinary Duty for an Employee
<input type="checkbox"/> Shift Differential/Standby/Call Back (OT Exempt)	<input checked="" type="checkbox"/> Recruitment/Retention Payment
<input type="checkbox"/> EXTENSION	

Complete the justification portion of the document to include both justification for the AAR and the Recruitment/Retention Payment:

Provide the justification for this action in the space below and complete the appropriate section on the next pages. Attach additional sheets, as needed.

Describe the candidates qualifications and how many years of experience above the minimum qualifications they have. Explain why the Advanced Appointment Rate is justified. Being very clear so the readers do not have to search for anything.

This employee is eligible for the \$3,000.00 Recruitment Payment.

You will also complete both sections (AAR and Recruitment/Retention Payment) on the second page of the document:

Check (X) Boxes Where Appropriate

Advanced Appointment Rate 11 IAC 53.5(1) (Individual) 11 IAC 53.5(2) (Blanket)

Minimum biweekly base pay of applicable pay grade: \$from the job class pay range

New Employee: Additional percentage above the minimum biweekly base pay: box five from calculator%

Current Employee: Additional percentage above the employee's current biweekly base pay:

Proposed biweekly base pay: \$box six from calculator (must be divisible by 80)

If applicable, attach the names and qualifications for current employees to be adjusted due to equivalent qualifications (11 IAC 53.5(1)). Additional information documenting the economic or employment conditions must be submitted when requesting a blanket advanced appointment rate (11 IAC 53.5(2)).

For help in calculating percentages, you may refer to the [Advanced Appointment Rate Calculator](#).

Recruitment/Retention Payment 11 IAC 53.9(5)

Lump sum pay amount (not added to base pay): \$3,000.00

Number of pay periods to pay out lump sum: 1

As a condition of receiving recruitment or retention pay, the recipient must sign an agreement to continue employment with the appointing authority for a commensurate period of time. Attach a draft copy of an agreement explaining the terms of the payment and its potential recoupment.

2. Submit Advanced Appointment Rate and Recruitment/Retention Payment documents in this order:
 - a. M40
 - b. Agreement for Recouping Recruitment, Retention, Education, and Relocation Payments (doesn't have to be signed until the employee starts employment)
 - c. Resume/Application
 - d. Advanced Appointment Rate Pay Adjustment Calculator (AAR Calculator)
 - e. Pay Range for classification
 - f. Job Class Description

3. If the eligible employee **is not** requesting an Advanced Appointment Rate, only check the Recruitment/Retention Payment box and continue to fill out the M40 for this special pay.

Check type of action (and EXTENSION, if applicable):

<input type="checkbox"/> Advanced Appointment Rate	<input type="checkbox"/> Change of Duty Station
<input type="checkbox"/> Higher Rank Allowance for SPOC	<input type="checkbox"/> Exceptional Job Performance
<input type="checkbox"/> Increased Credentials	<input type="checkbox"/> Special Duty
<input type="checkbox"/> Lead Worker	<input type="checkbox"/> Extraordinary Duty for a Class of Employees
<input type="checkbox"/> Red Circle	<input type="checkbox"/> Extraordinary Duty for an Employee
<input type="checkbox"/> Shift Differential/Standby/Call Back (OT Exempt)	<input checked="" type="checkbox"/> Recruitment/Retention Payment
<input type="checkbox"/> EXTENSION	

Employee/Candidate/Class: Employee's Name

Agency Name: Department of Human Services- Facility

Current 18-Digit Payroll Number: 6-digit position number

Job Class Title: position title Biweekly Base Pay: \$minimum of job class

Effective Date: Upon Hire Expiration Date (if applicable): N/A

Provide the justification for this action in the space below and complete the appropriate section on the next pages. Attach additional sheets, as needed.

This candidate is eligible for the RN recruitment payment of \$3,000.00.

4. On page 2 of the M40, navigate to the Recruitment/Retention Payment section and fill in the: Lump sum pay amount box

Number of pay periods to pay out lump sum

Recruitment/Retention Payment 11 IAC 53.9(5)

Lump sum pay amount (not added to base pay): \$3,000.00

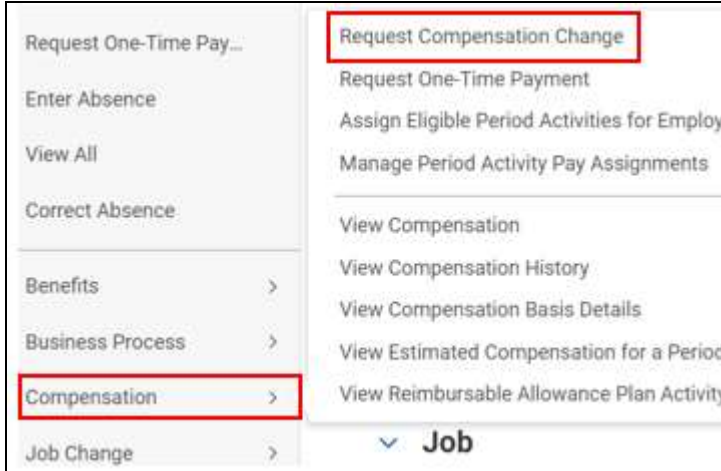
Number of pay periods to pay out lump sum: 1

As a condition of receiving recruitment or retention pay, the recipient must sign an agreement to continue employment with the appointing authority for a commensurate period of time. Attach a draft copy of an agreement explaining the terms of the payment and its potential recoupment.

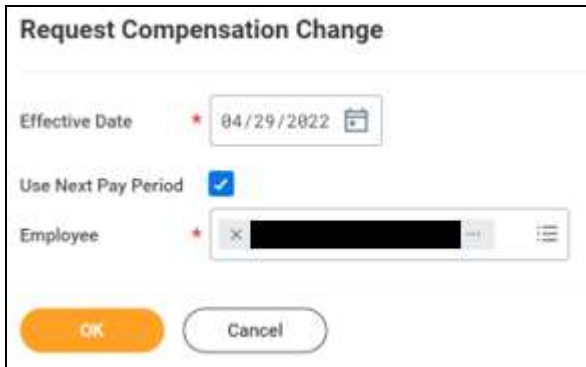
5. Submit documents in this order:
 - a. M40
 - b. Agreement for Recouping Recruitment, Retention, Education, and Relocation Payments (doesn't have to be signed until the employee starts employment)
 - c. Resume/Application

Workday Business Process:

From the employee’s profile, select **Actions**. Hover over **Compensation**, then click **Request Compensation Change**.



In the **Effective Date** field, enter the pay period in which the Recruitment/Retention will be paid out. Then click **OK**.



Scroll down the page to the **Allowance** section and click **Add**.



Choose **Compensation Plan**:

Compensation Plan

Search

← By Compensation Rule

- Commute Miles Allowance Plan
- Exceptional Job Performance Allowance
- Extraordinary Pay Allowance
- Recruitment/Retention Retirement Covered Allowance
- Recruitment/Retention Retirement Not Covered Pay Allowance
- Special Duty Pay Allowance
- Subsistence Pay Allowance

Enter the **amount** that will be paid out and the **frequency** to be paid out:

Allowance

Compensation Plan: Recruitment/Retention Retirement Not Covered Pay Allowance

Amount *
254.52

Currency *
USD

Frequency *
Biweekly

Additional Details

In the **Additional Details** section, enter **Expected End Date** and **Actual End Date**.

Additional Details

Expected End Date
01/06/2023

Actual End Date
01/06/2023

Compensation Element
Recruitment/Retention Retirement Not Covered Pay Allowance

Click **Submit**.

You can view employee's Allowance plans under: the employee profile → **Compensation** → **Plan Assignments**.

Effective Date	Plan Type	Compensation Plan	Assignment	Expected End Date	End Date
04/01/2022	Salary	Salary Plan	109,574.40 USD Annual		
01/07/2022	Allowance	Recruitment/Retention Retirement Not Covered Pay Allowance	384.62 USD Biweekly; Individual Target	01/06/2023	01/06/2023

Lead Worker

- ◆ An employee who is temporarily assigned to lead work duties, may be given additional pay of up to 15% of the employee's base pay (administrative rule)
- ◆ If an employee who is receiving additional pay lead worker duties is promoted, the pay increase shall be calculated using the employee's new base pay.
- ◆ Additional documents needed for submission:
 - Staff and job title of employee's they lead
 - Lead Worker Specific PDQ (all lead workers need a specialized PDQ)
 - Pay Adjustment Calculator
 - Lead Worker Calculator
 - Interactive Class and Pay Plan
 - Job Classification Description

Check type of action (and EXTENSION, if applicable):

<input type="checkbox"/> Advanced Appointment Rate	<input type="checkbox"/> Change of Duty Station
<input type="checkbox"/> Higher Rank Allowance for SPOC	<input type="checkbox"/> Exceptional Job Performance
<input type="checkbox"/> Increased Credentials	<input type="checkbox"/> Special Duty
<input checked="" type="checkbox"/> Lead Worker	<input type="checkbox"/> Extraordinary Duty for a Class of Employees
<input type="checkbox"/> Red Circle	<input type="checkbox"/> Extraordinary Duty for an Employee
<input type="checkbox"/> Shift Differential/Standby/Call Back (OT Exempt)	<input type="checkbox"/> Recruitment/Retention Payment
<input type="checkbox"/> EXTENSION	

Employee/Candidate/Class: Employee's Name

Agency Name: Department of Human Services- Facility

Current 18-Digit Payroll Number: 6-digit position number

Job Class Title: position title Biweekly Base Pay: current base rate

Effective Date: start date Expiration Date (if applicable): year from start date

Provide the justification for this action in the space below and complete the appropriate section on the next pages. Attach additional sheets, as needed.

Describe the lead worker duties this employee performs. You will want to either attach description of lead worker duties or enter here. You will also need to attach or add a list of employee's and the positions this worker leads.

Department Director Signature

Date

Lead Worker 11 IAC 53.8(1)

Percentage (up to 15%): Additional pay per pay period: (must be divisible by 80)

Attach a copy of the Position Description Questionnaire (PDQ), as well as an organizational chart identifying the positions (both name and classification) that will be led.

Percentage: fill in what percentage that employee will receive

Additional pay per pay period: take the % (5% would be .05) multiplied by their base pay.

Use the **Lead Worker Premium Pay Calculator** to calculate this figure. Attach this calculator result in documents to submit.

Lead Worker / SPOC DNR 4% Premium Pay Calculators

Lead Worker Pay Calculation

\$2,068.80

Biweekly

5.00%

Lead Work %

\$103.20

Lead Worker Amount

Calculations

\$2,068.80

Biweekly

/ 80

\$25.86

Hourly

*

5.00%

Lead Work %

=

\$1.29

Hourly Lead Worker

* 80

\$103.20

Lead Worker Amount

Next, enter the current bi-weekly pay and the lead worker percentage into the pay adjustment rate calculator.

Pay Adjustment Rate Calculator

Current Bi-weekly Pay	(%) % Increase	(=) Adjusted Bi-weekly Pay	(/) By 80 Hours	(=) Gross Hourly Pay	(≈) Rounded Hourly Pay	(*) 80 Hours	(=) New/Adjusted Bi-weekly Pay	(*) # of Pay Periods	(=) New/Adjusted Annual Salary
\$2,068.80	5.00%	\$2,172.240000	80	\$27.153000	\$27.15	80	\$2,172.00	26	\$56,472.00

Enter Values Here:

Current Bi-weekly Pay:	\$2,068.80
% Increase (2.5, 10, etc.):	5.00%

Current Annual Pay:	\$53,788.80
+ Annual Adjusted Income:	\$2,683.20
Adjusted Annual Pay:	\$56,472.00
Additional Pay Per Period:	\$103.20

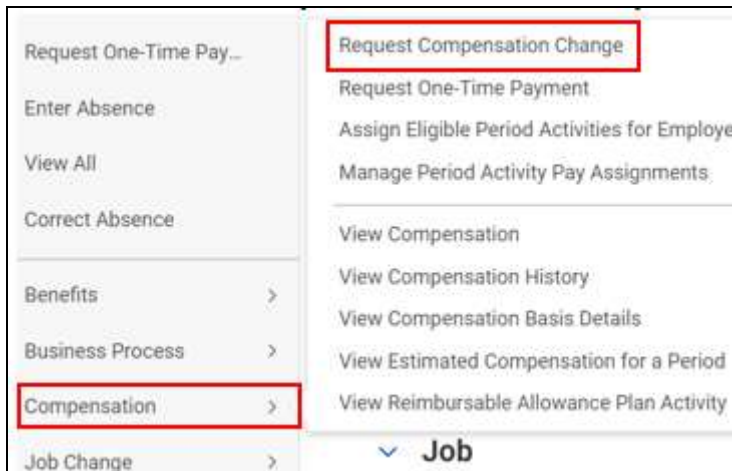
Submit in this order:

1. M40
2. List of employee's being led by this lead worker
3. Lead Workers specific PDQ
4. Lead Worker Calculator
5. Pay Adjustment Calculator
6. Interactive Class and Pay Plan
7. Job Classification Description

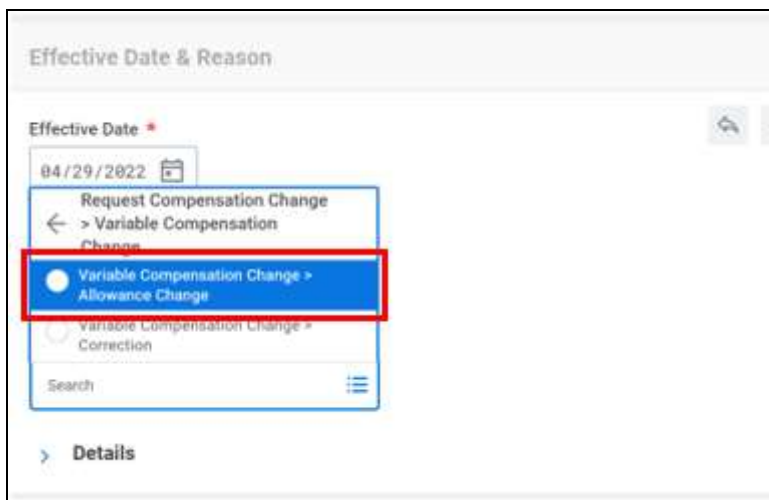
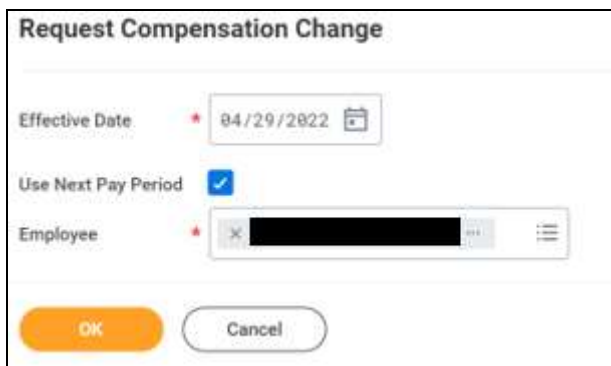
Workday Business Process:

From the employee's profile, select **Actions**.

Hover over **Compensation** and click **Request Compensation Change**.



In the **Effective Date** field, enter pay period in which the Recruitment/Retention will be paid out. Click **OK**.

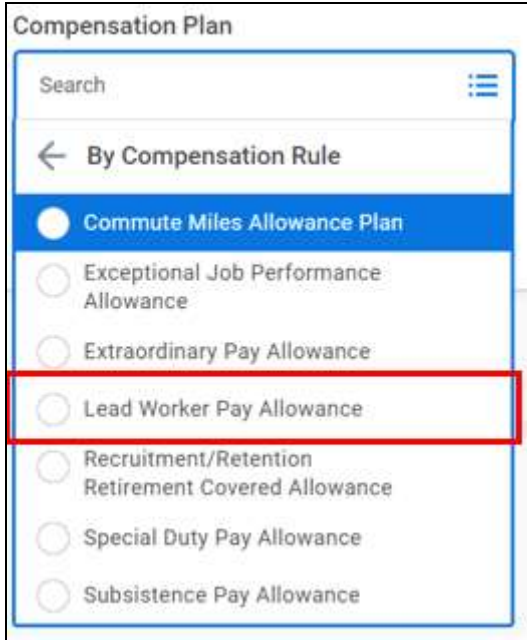


Scroll down the page to the **Allowance** section.

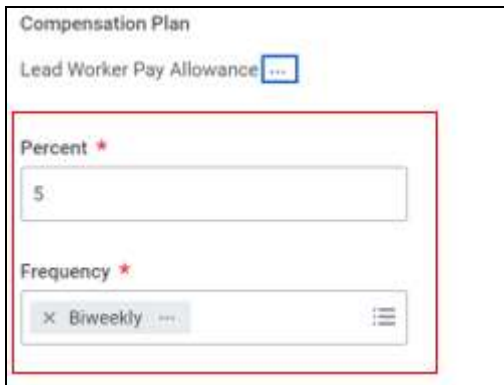
Click **Add**.



Choose the **Compensation Plan**, selecting **Lead Worker Pay Allowance**.



Enter the **percentage** and the **frequency** to be paid out:



Select **Additional Details** and enter the **Expected End Date** and **Actual End Date**:

Additional Details

Expected End Date
12/18/2022

Actual End Date
12/18/2022

Compensation Element
Lead Worker Pay Allowance

You can view employee's **Allowance** plans under: the employee profile → **Compensation** → **Plan Assignments**.

Plan Assignments 4 items

Effective Date	Plan Type	Compensation Plan	Assignment	Expected End Date	End Date
03/08/2023	Hourly	Hourly Plan	22.92 USD Hourly		
12/18/2022	Allowance	3rd Shift Differential Pay Allowance	1.00 USD Hourly		
12/18/2022	Allowance	Lead Worker Pay Allowance	5% Weekly Individual Target	12/18/2022	12/18/2022
04/25/2014	Allowance	Nat Power Allowance	0.75 USD Hourly		