

case of many of the departments with the idea that this reduction could be made up by not filling some requested new positions and by effecting other economics in salary and wage costs. Where this cut was made it represented a percentage reduction of about 4 to 5 percent of the total departmental appropriation for salaries and wages.

Contrary to many of the general statements which have been made, the new pay plan does not involve a blanket across-the-board increase of equal amount to all employees. As a result of salary data gathered by the Commission, it was evident that some types of work in the state service were not particularly out of line with general wage conditions while in other cases salaries were very disproportionate. The new pay plan, therefore, was an attempt within practical financial limits to preserve proper relationship between jobs in the state service and at the same time provide scales which would be more realistic. As a result, many technical, labor and trades class rates were increased more than were other classes. In only a few instances were salary ranges reduced. Under the plan approved by the Joint Ways and Means Committee, employees whose salary ranges have been increased will go to the corresponding step of the new range on July 1. This overall adjustment will amount to an average increase of about \$13 per month per employee, in addition to the continuation of the present \$20 granted as an emergency adjustment.

Many questions have been raised about the effect which this adjustment, as well as some of the budget reductions, will have on merit salary increases. Annual merit salary increases have never been automatic but have been limited by funds granted for this purpose and the relative work performance of employees. Because of a high rate of turnover it has been possible for most departments to give merit increases to a high percentage of employees who remain in the state service, using funds made available by turnover and recruitment conditions. Even so, it is estimated that on a state-wide basis only about 50-60 percent of eligible employees have been granted such increases. Under conditions of high employment stability appropriations would be such that probably only about 40-50 percent of eligible employees would receive salary increases based on a relative meritorious performance.

Almost all department heads are sincerely interested in seeing that employees get as fair salaries as possible. It is the Commission's belief, however, that a plan such as that outlined above is the only one which, if fairly administered, will satisfactorily refute the many public complaints that state employees can get salary increases without references to their work performance, and at the same time provide a method whereby the conscientious employees can receive proper recognition for work well done.

State Retirement Board Makes Analysis of Recent Amendments to Public Employees Retirement Law

Beginning with the new fiscal year July 1st, each employe is required to contribute on the first \$3000 per year of earnings and the employer is required to match such contributions. Employee is **not permitted** to contribute

on earnings in excess of the first \$3000 per fiscal year.

Employes of political subdivisions other than school districts, may be given credit for accumulated seasonal employment for the subdivision if he