

# MEMORANDUM

**State of Alaska**  
**Department of Administration**  
**Division of Labor Relations**

**To:** Mila Cosgrove, Director  
Division of Personnel  
All Technical Services staff  
All Management Services staff

**Date:** July 22, 2005

**From:** Art Chance  
Director

**Phone:** 465-4404

**Fax:** 465-2269

**Email:** Art\_Chance@admin.state.ak.us

**Subject:** Exception pay for represented classified employees

Advanced step placements that conform to the Division of Personnel's criteria for recruiting difficulty and exceptional qualifications are within the purview of the Director of Personnel and do not involve this office. We are frequently asked to pursue letters of agreement ratifying promises of advanced steps allegedly made by hiring managers acting without prior approval by the Director of Personnel. We will **not** do this except in the most extraordinary circumstances. Any request for retroactive ratification of a promised advanced step must be made by the director of the employing division or the agency head and should be directed to me. A detailed written explanation and justification is required.

Advanced step placement for current employees may be conferred pursuant to 2 AAC 07.331. Use of this Personnel Rule requires waiver of contract terms, hence a letter of agreement is required. Advanced steps pursuant to 2 AAC 07.331 must be requested in writing by the director of the employing division or agency head and must be justified by recruitment difficulty and/or exceptional qualifications. Requests should be directed to me.

In extraordinary circumstances advanced steps or range variance may be conferred by a specific letter of agreement establishing the step and/or range and step. Requests must be made by the commissioner of the employing department or agency head to the Commissioner of Administration. A written justification is required. Approval by the Office of the Governor may be required. Some actions of this nature constitute monetary terms within the meaning of AS 23.40.250(4) and require approval and funding by the Legislature. Such agreements are not effective unless and until approved.

These are the only means by which an employee may be paid a salary or wage other than that earned under statute, Personnel Rule, or collective bargaining agreement (CBA). Absent one of the three actions above, payment of a wage or salary, including premium pays such as standby or sea duty, other than that

earned is unauthorized. No hiring manager has the authority to confer or promise to confer a range or range and step other than that earned under statute, Personnel Rule, or CBA. Promises made by a State officer or employee that are outside the officer or employee's authority are invalid and unenforceable. Employees who are paid a wage or salary other than that authorized by statute, Personnel Rule, or CBA are liable for the overpayment, which **MUST** be recovered. Recovery is made through the processes in the Administrative Manual.

If you have questions or desire more information, please do not hesitate to contact the Labor Relations Analyst assigned to your Group.

cc:

Unions other than Marine  
All Administrative Services Directors  
All Labor Relations Staff  
Labor Relations Website