

**18A.355 Formula for increasing base salary or wages of state employees -- Percentage of annual increment may be reduced.**

- (1) An annual increment of not less than five percent (5%) of the base salary or wages of each state employee shall be granted to each employee on his or her anniversary date. The employee's base salary or wages shall be increased by the amount of the annual increment. When any increment due to a promotion, reallocation, reclassification or salary adjustment is granted an employee, the employee's base salary or wages shall be increased by the amount of such increment. An employee's base salary or wages shall not be increased by the amount of lump-sum payment awarded under KRS 18A.110(7)(i).
- (2) The branch budget recommendation submitted to the General Assembly under KRS Chapter 48 shall include a request for the amount of the annual increment expressed as a percentage of each employee's base salary or wages and a request for the total appropriation needed to fund the annual increment. The annual increment shall be uniform for all employees. The financial plan enacted under the provisions of KRS 48.300 shall contain the annual increment expressed as a percentage of each employee's base salary or wages, and the total appropriation needed to fund the annual increment.
- (3) The budget reduction plan submitted and enacted under the provisions of KRS Chapter 48 shall provide that a reduction of the annual increment granted under this section shall be made only after other cost savings measures, as provided by KRS 18A.113 are taken. Any such reduction shall be uniform for all state employees and shall comply with the provisions of this chapter and KRS Chapter 48.

**Effective:** June 29, 2023

**History:** Amended 2023 Ky. Acts ch. 35, sec. 12, effective June 29, 2023. -- Amended 2000 Ky. Acts ch. 501, sec. 3, effective July 14, 2000. -- Amended 1986 Ky. Acts ch. 494, sec. 22, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 111, sec. 168, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 456, sec. 2, effective July 15, 1982.

**2024-2026 Budget Reference.** See State/Executive Branch Budget, 2024 Ky. Acts ch. 175, Pt. IV, 2 at 1938.

**Legislative Research Commission Note** (10/19/2004). 2004 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 10, provides, "Notwithstanding KRS 18A.355(1):

- (1) A cost-of-living adjustment of two percent is provided in fiscal year 2004-2005 on the base salary or wages of each eligible state employee on his or her anniversary date and shall apply retroactively to July 1, 2004; and
- (2) Effective January 1, 2005, an additional cost-of-living adjustment of one percent is provided on the base salary or wages of each eligible state employee."