

1 AN ACT relating to state employee compensation.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 18A.355 is amended to read as follows:

4 (1) An annual increment ~~[of not less than five percent (5%) of the base salary or wages~~
5 ~~of each state employee]~~ shall be granted to each employee on his anniversary date.

6 ***The employee's annual increment for each year of a biennium shall be the***
7 ***average of the consumer price index for all urban consumers as published by the***
8 ***federal Bureau of Labor Statistics for the two (2) calendar years prior to the***
9 ***biennium and shall not be less than zero (0).*** The employee's base salary or wages

10 shall be increased by the amount of the annual increment. When any increment due
11 to a promotion, reallocation, reclassification or salary adjustment is granted an
12 employee, the employee's base salary or wages shall be increased by the amount of
13 such increment. An employee's base salary or wages shall not be increased by the
14 amount of lump-sum payment awarded under KRS 18A.110(7)(j).

15 (2) The branch budget recommendation submitted to the General Assembly under KRS
16 Chapter 48 shall include a request for the amount of the annual increment expressed
17 as a percentage of each employee's base salary or wages and a request for the total
18 appropriation needed to fund the annual increment. The annual increment shall be
19 uniform for all employees. The financial plan enacted under the provisions of KRS
20 48.300 shall contain the annual increment expressed as a percentage of each
21 employee's base salary or wages, and the total appropriation needed to fund the
22 annual increment.

23 (3) The budget reduction plan submitted and enacted under the provisions of KRS
24 Chapter 48 shall provide that a reduction of the annual increment granted under this
25 section shall be made only after other cost savings measures, as provided by KRS
26 18A.1132, are taken. Any such reduction shall be uniform for all state employees
27 and shall comply with the provisions of this chapter and KRS Chapter 48.