

Memorandum of Understanding between the Virginia Department of Corrections and Arlington County Regarding the Local Supplement for State Employees Working in Arlington Probation and Parole District Effective: Fiscal year beginning July 1, 2016

This agreement governs the administration of the local salary supplement provided by Arlington County and disbursed by the Commonwealth of Virginia to state employees (also referred to as "employees" or "supplemented employee") of the Virginia Department of Corrections (also referred to as the "Department of Corrections"). The authority for Arlington County to supplement the salary of state employees is §53.1-147 of the Code of Virginia.

As required by the Item 467.D of the 2014 Appropriations Act, this agreement has been, and any future alterations to it will be, reviewed and approved by the Virginia Department of Human Resource Management (DHRM). The agreement and the resultant total salary for each supplemented employee will be reported annually to DHRM through the Human Resource Office at Virginia Department of Corrections.

The supplemented employee's total salary (the state salary plus an apportioned share of the Arlington County supplement) will not be used when calculating the employee's state benefits such as retirement and life insurance. All payroll processes, taxes and withholding, e.g. FICA, and compliance with federal laws remains the sole responsibility of the Commonwealth of Virginia ("Commonwealth"), the Department of Corrections and/or state employee, not Arlington County.

Employees who receive an apportioned share or any share of the supplement are solely employees of the Commonwealth. This supplement shall not alter or establish any authority over supplemented employees by Arlington County. The receipt of a local salary supplement shall not subject supplemented employees to any personnel or payroll rules and practices other than those promulgated by the Virginia Department of Human Resource Management (DHRM). Supplemented employees are not eligible to access Arlington County benefits or grievance processes and may only pursue such rights and remedies, if any, through state processes and against the Department of Corrections.

A copy of this agreement and any addenda will be made available by the Department of Corrections to all employees receiving the supplement upon the initiation of this agreement and at least annually thereafter. The Human Resource Office at the Virginia Department of Corrections shall certify that the current agreement/addendum has been made available to impacted employees during the period covered by the MOA.

Terms of the Agreement

This agreement shall be effective on the date of the signatures of the parties below for the time period beginning July 1, 2016 (FY 2017). The agreement shall remain in effect until such time as discontinued or the supplement is not appropriated. The agreement will be executed annually prior to August 1st of the next calendar year and may be amended, in writing, from time to time at the discretion of the parties.

All monies and supplements are subject to annual approval and appropriation by the County Board of Arlington County, Virginia ("Arlington County").

Arlington County shall provide a letter of intent to discontinue or alter the local supplement to the Director of the Virginia Department of Corrections. As reasonably practical, the notice should be at least 90 days in advance of upcoming fiscal year.

The Commonwealth of Virginia, Department of Corrections and/or supplemented state employees, as determined by the Commonwealth, are solely responsible for all benefits, withholding and taxes.

The Department of Corrections is prohibited from using the supplement provided by Arlington County for any purpose other than distribution through the Commonwealth's payroll processes to eligible Department of Corrections' employees assigned to the Arlington County Probation and Parole District.

No employee receiving the supplement shall be considered for any purpose whatsoever to be an employee of Arlington County or eligible for any rights or benefits offered by Arlington County to its own workforce.

For FY 2017, a fixed supplement of Fifty Thousand Four Hundred and Seventy-One Dollars (\$50,471.00) has been approved and appropriated by the County Board for Arlington County, Virginia.

Method(s) By Which Supplement is Disbursed

Each fiscal year, any approved and appropriated supplement will be provided by the Arlington County Department of Management and Finance to the Virginia Department of Corrections, which thereafter shall disburse the supplement to eligible employees of the Arlington Probation and Parole District in the manner and method as determined by the Department of Corrections. The fiscal year begins on July 1st and ends the following June 30th. The annual payment for the supplement shall be made by July 15 of that calendar year, or such later date as agreed to by the parties.

The supplement shall be disbursed on a set formula, as determined by the Department of Corrections, for eligible positions only.

The amount of the supplement, if any, is within the complete discretion of Arlington County but in no event shall exceed 50% of the salary paid by the Commonwealth.

No money shall be disbursed to any persons who are not state employees and also assigned to and working in or for the Arlington Probation and Parole District.

Responsibilities of the Department of Corrections

For each fiscal year, the Department of Corrections shall provide a payments reconciliation report to the Arlington County Department of Management and Finance. The report will detail each payment (date and amount) made to specified supplemented employee/s, the location (assignment) of each supplemented employee, the supplemented employee/s total salary and time in the eligible position plus the calculation of any refund due to Arlington County. The report shall be provided to the Director of the Arlington County Department of Management and Finance by the Department of Corrections by June 30 of each year and any refund disbursed to Arlington County by August 30 of that same year.

The Department of Corrections will maintain clear written documentation supporting the policy basis and amount of all transactions affecting the salary supplement of state employees.

Upon changes in supplement amounts, the Department of Corrections will notify in writing each affected employee of the new amount and describe how the new supplement amount was determined.

Pursuant to its own policies, and without recourse to Arlington County, the Virginia Department of Corrections Payroll Office will disperse the supplement excluding taxes and social security deductions (both the employee and employer share as if the employee was self-employed). These supplements are

authorized by §53.1-147 of the *Code of Virginia* (1950), as amended and will be used only to supplement the salaries of Arlington Probation and Parole District employees.

The local salary supplement provided by Arlington County, if any, must be disbursed by the Department of Corrections within the fiscal year for which it was appropriated. Should any monies not be dispersed by the end of the then current fiscal year, the Department of Corrections will return those monies to Arlington County by August 30th of the same calendar year.

Responsibilities of Arlington County

For FY 2017, Arlington County shall provide a sum of Fifty Thousand Four Hundred and Seventy-One Dollars (\$50,471.00) to supplement of the salaries of state employees of the Arlington Probation and Parole District in positions as determined by the Department of Corrections.

The annual payment amount for the salary supplement is subject to approval and appropriation by the Arlington County Board through the Arlington County annual budget process.

Arlington County shall make the payment for the local supplement on an annual basis by July 15th, or such later time as agreed to by the parties.

Arlington County shall provide sufficient funds to cover any appropriated supplement only, and is not responsible or liable for any additional taxes, withholding or the cost of employee benefits that may be created or due as a result of the supplement.

The parties, by their signatures below, represent that they are authorized to enter into this agreement.



Mark Schwartz,
County Manager
Arlington County, Virginia

June 18, 2016

Date



Harold W. Clarke,
Director
Virginia Department of Corrections

6-21-16

Date