

DIRECTIVE
WORKFORCE SERVICES

Number: WSD11-7

Date: March 6, 2012

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: SALARY AND BONUS LIMITATIONS FOR 2012

Purpose:

This directive issues the 2012 salary and bonus limitation for individuals who are paid by funds appropriated to the Department of Labor (DOL)/Employment and Training Administration (ETA) funded programs. Additionally, this directive provides federal guidance regarding Public Law 109-234, which sets the limitation on salaries and bonuses for these individuals at a rate equivalent to no more than Executive Level II. A salary table providing this rate is listed on the Federal Office of Personnel Management Web site www.opm.gov under Salaries and Wages. These levels are adjusted annually and the Web site is updated accordingly. Currently, the salary and bonus limits are frozen at 2010 levels. Therefore, effective January 1, 2012, the salary and bonus limit is set at \$179,700 until otherwise advised.

Scope:

This directive applies to all subrecipients expending Workforce Investment Act (WIA) program funds.

Effective Date:

The 2012 salary rates for executive level employees became effective January 1, 2012.

REFERENCES:

- Public Law 109-234
- DOL Training and Employment Guidance Letter (TEGL) 05-06, Implementing the Salary and Bonus Limitations in Public Law 109-234 (August 15, 2006)
- WIA Directive WIAD06-12, Subject: WIA Local Area Executive Compensation Reporting Requirements (December 14, 2006)

STATE-IMPOSED REQUIREMENTS:

This directive does not contain any State-imposed requirements.

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FILING INSTRUCTIONS:

This directive supersedes Workforce Services Directive WSD11-1, dated July 5, 2011, and finalizes Workforce Services Draft Directive WSDD-64, issued for comment on February 8, 2012. There were no comments received during the draft comment period. Retain this directive until further notice.

BACKGROUND:

On June 15, 2006, President Bush signed into law an emergency supplemental appropriations bill, Public Law 109-234. Section 7013 of this public law limits salary and bonus compensation for individuals who are paid by funds appropriated to the ETA and provided to recipients and subrecipients. Specifically, Section 7013 states:

“None of the funds appropriated in Public Law 109-149 or prior acts under the heading ‘Employment and Training’ that are available for expenditure on or after the date of enactment of this section shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under Section 101 of Public Law 109-149. This limit shall not apply to vendors providing goods and services as defined in the Office of Management and Budget Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organization that administers federal programs involved including Employment and Training Administration programs.”

Subsequently, on August 15, 2006, the ETA issued TEGl 05-06. This TEGl informs states and other ETA-funded recipients and subrecipients of limitations on salary and bonus payments that can be made with funds appropriated to the ETA. Specifically, this TEGl provides the workforce investment system with information on programs affected by this provision; effective dates and funding cycles; covered individuals and transactions; application of the limitation; and related grant and contract modifications.

POLICY AND PROCEDURES:

All subrecipients of WIA program funds are required to comply with federal requirements regarding the limitations on salary and bonus payments. Additionally, subrecipients are required to follow the instructions for implementing the salary and bonus limitations as provided in TEGl 05-06.

ACTION:

Bring this directive to the attention of all appropriate staff and subrecipients.

~ I N A C T I V E 6/18/13 ~

INQUIRIES:

If you require further information regarding this directive, please contact your [Regional Advisor](#) at (916) 654-7799.

/S/ MICHAEL EVASHENK, Chief
Workforce Services Division