

Frequently Asked Questions: Differentiated Pay Policy

Is the differentiated pay plan policy a new policy?

State law [T.C.A § 49-3-306(h)], adopted by the General Assembly in 2007, already requires school districts to adopt and implement differentiated pay plans to aid in staffing hard to staff subject areas and schools and attracting and retaining highly qualified teachers. However, this law has never been enforced. Beginning in the 2014-15 school year, the department will begin to enforce this law, and the increased flexibility provided by the new salary schedule will assist districts in meeting this requirement.

Does the differentiated pay plan policy mandate pay for performance?

The differentiated pay plan policy does not mandate pay for performance. However, the revised differentiated pay plan policy prevents districts from basing across-the-board pay increases solely on years of experience or advanced degrees. Districts must differentiate teacher compensation based on at least one additional criterion. Differentiated pay criteria can include any of the following: additional roles or responsibilities, hard-to-staff schools or subject areas, and performance based on State Board approved teacher evaluation criteria.

Will base pay changes and bonuses awarded through a district's differentiated compensation plan count toward retirement benefits through TCRS?

The department reached out to the Tennessee Consolidated Retirement System (TCRS) to get further guidance on this issue. TCRS stated that TCA § 8-34-101(14)(B)(i)(b) dealing with "Earnable Compensation" governs this issue. If the bonus is available to all teachers (even though it may be up to the teacher to qualify for the actual funds) or if the bonus is offered to a broad class of employees (such as math teachers), then the bonus should be reported to TCRS and employee/employer contributions withheld. The bonus will be included in the calculation of retirement benefits if within the average final compensation (AFC).

Who will approve differentiated pay plans?

According to T.C.A § 49-3-306(h), the Tennessee Department of Education has approval authority of the differentiated pay plans.

Are there any guidelines around how differentiated pay plans will be approved?



The department will approve differentiated pay plans based on the criteria listed in the [State Board policy](#). Complete information regarding required documents for submission will be released by Sept. 2013.

What technical assistance will be available for districts in creating their differentiated pay plans?

The department plans to provide support to districts through two main opportunities: an accelerated planning cohort and statewide planning sessions. The accelerated planning cohort will consist of a continuum of deep-dive, intensive sessions focused on aligning compensation with human capital strategies and needs. The statewide planning sessions will be available via webinar and in-person sessions throughout the fall and spring for any interested district. In coming weeks, the department will be releasing a more comprehensive technical assistance plan; however an overview of the technical assistance timeline is included below:

Timeline	Action
August-December 2013	Phase 1 Cohort : Accelerated planning support sessions
September 2013	Superintendents' Conference Webinar/working sessions: Communications and educator awareness/engagement
October 2013	Phase 2 Cohort : Statewide planning support session 1
November 2013	Phase 2 Cohort: Statewide planning support session 2 Share accelerated cohort planning documents and resources
December 2013/January 2014	Phase 2 Cohort: Statewide planning support session 3
February 2014	Phase 2 Cohort: Statewide planning support session 4
February 28, 2014	Differentiated pay plans submitted
March-April 2014	Differentiated pay plans approval notification
Ongoing	Implementation support

Please send any additional questions to Compensation.Questions@tn.gov .