

# **Salary Step Administration**

October 19, 2018





## Salary Step Administration

- Step Placement Upon Appointment
  - Default
  - Promotive Appointment
  - Non-Promotive Appointment
  - Appointment Above Entrance
- Step Advancement
  - 1/6th Rule
  - Unsatisfactory Service
  - Ineligible
  - Performance Steps



#### **Default**

 As a default, employees are appointed at Step 1. However, there are many situations when an appointment at Step 2 or higher may be appropriate.



#### **Promotive Appointment**

- What is a promotive appointment?
  - When an employee is appointed to a job classification that's <u>base</u>
    salary range is <u>higher</u> than in his/her underlying appointment
- When must it be used?
  - Always
- When does it not apply?
  - Provision does not apply to Local 21's Extended Ranges or MCCP's Ranges B & C. Access to these are always at the discretion of the Appointing Officer (and DHR approval for MCCP Ranges B & C).



#### **Promotive Appointment**

- Most of these provisions provide an adjustment "<u>closest to</u>"
  7.5% or 10%.
  - For example, if in trying to provide an adjustment closest to 10% and one's options are a step at 8% or 13%, one would provide the 8% even though less than 10% as it is closer to 10% than is 13% (i.e., 2% lower is closer than 3% higher)
- In applying a promotive appointment provision, use the provision from the MOU that covers the classification to which the employee is being appointed if the employee is changing unions.



#### **Non-Promotive Appointment**

 When an employee accepts an appointment in a class having the <u>same or lower</u> salary grade, the employee shall be placed at the step <u>nearest to, but not less than</u> their current salary, not to exceed the maximum of the salary grade.



#### **Appointment Above Entrance**

While an MOU's promotive appointment provision should typically provide an appropriate salary placement, there may be instances that a higher salary placement is warranted.

- When must it used?
  - The use of this provision is at the discretion of the Appointing Officer.
- When can it be used?
  - It can be used upon both initial appointment and postappointment (i.e., after the employee has already been appointed)



#### **Appointment Above Entrance**

- <u>Criteria:</u>
  - Loss of Compensation: Must be verifiable (W-2, pay stub), current and regularly earned (e.g., not a one-time bonus)
  - Recruitment / Retention: Factors may include recruitment strategy, # of applicants, # that were qualified, # interviewed, # of offers extended, length of vacancy
  - Former Permanent City Employee
  - Special Skills: Skills, qualifications and education

#### Salary History:

- In setting the salary for a new hire to the City, one should <u>never</u> ask for an employee's salary history. Accordingly, the salary history information fields have been removed from the City's job applications.
- However, if a prospective employee voluntarily provides his or her salary history, one may review and evaluate such information.
   Additionally, one may always evaluate the compensation of incumbent employees and are generally required to under MOU promotive appointment provisions that guarantee specific wage increases.



#### **Appointment Above Entrance**

- Internal Equity: When appointing employees above the entrance rate, departments must evaluate the compensation of other employees in the same classification who do the same work. Such employees should <u>only</u> be paid differently if can be justified by one or more of the following business related reasons:
  - Performance / Merit: E.g., one employee received a performance evaluation of exceeding expectations and the other received a performance evaluation in which met expectations.
  - Education / Training: E.g., one employee has a JD and the other employee has a BA.
  - Experience: E.g., one employee has four years of experience while the other employee has two years of experience.
  - Seniority: E.g., one employee has been working in the department in the position for six years while the other employee has been working in the department in the position for three years.
  - $\rightarrow$  While an employee raising a loss in compensation concern may be the origin of an appointment above entrance evaluation, the utilization of this provision must ultimately be validated by one or more of the preceding business related reasons.



## Step Advancement

### 1/6<sup>th</sup> Rule

An employee shall not receive a salary adjustment based upon service as herein provided if he/she has been absent by reason of suspension or on any type of leave without pay (excluding a military, educational, or industrial accident leave) for more than one-sixth of the required service in the anniversary year, provided that such employee shall receive a salary increment when the aggregate time worked since his/her previous increment equals or exceeds the service required for the increment, and such increment date shall be his/her new anniversary date; provided that time spent on approved military leave or in an appointive or promotive position shall be counted as actual service when calculating salary increment due dates.



### Step Advancement

#### **Unsatisfactory Service**

 Per most of the City's MOUs, an employee's scheduled step increase may be denied if the Appointing Officer or designee determines that the employee's performance has been unsatisfactory. This typically will be through the performance appraisal process.



# Step Advancement

### Ineligible

- As-Neededs
- <u>9910s</u>