Policy 1016

From Human Resources

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(diff) ←Older revision | Current revision (diff) | Newer revision→ (diff)

PERSONNEL POLICY MANUAL
MoDOT Personnel Policy Title: Salary Increases **Policy Number**: 1016 **Chapter Title**: Wage and Salary Administration **Effective Date**: July 1, 2010 **Supersedes Policy Number**: 1016 **Dated**: July 1, 2009
Approved By: Micki Knudsen, Human Resources Director (Signature on file)

POLICY STATEMENT

The department recognizes the need to identify and define the various methods available to reward employees who meet or exceed performance expectations, provide financial incentives for those accepting promotional opportunities, and improve the department's position within the current market. Salary increases may be provided as described in this policy, only if appropriate funding is available.

PROVISIONS/REQUIREMENTS

1. District and Central Office human resources (HR) staff are responsible for communicating information and providing advice on salary administration issues. They are also accountable for maintaining accurate documentation on all salary transactions within their location.

2. Each supervisor and manager is accountable for making salary decisions in accordance with personnel policy, ensuring fairness and consistency in salary transactions within their area, and ensuring the accuracy of pay provided to employees within their area.

3. District engineers are accountable for working closely with divisions/offices to ensure fairness and consistency in salary transactions statewide.

4. Employees will be paid twice each month, at mid-month and the end of the month. A direct deposit of employees' paychecks will be made to the financial institution of each employee's choice. Employees who are expected to work more than three months (includes wage as well as salaried employees) are required to keep an active account for the direct deposit process. Each paycheck will cover the time worked and/or paid leave used during the previous pay cycle. Employees who are eligible to receive night shift differential pay or holiday differential pay will receive these earnings at the end of the pay cycle following the pay cycle in which the night work or holiday work occurred. Earnings for overtime worked in a particular pay cycle will be included in a paycheck two pay cycles following the pay cycle in which the overtime was worked.

5. Salary increases allowable in this or any other personnel policy may not be backdated to a date within a pay cycle that has been processed in the SAM II System, unless the HR director approves a waiver. Lateral transactions and demotions (where salary increases are not provided) may be backdated to a date within a pay cycle that has been processed in SAM II.

6. Salary increases described in this or any other personnel policy cannot result in an employee's salary being less than the minimum rate nor more than the maximum rate of the salary range of the employee's job, with three exceptions- described in 8.B, 10.A, 12, and 13 below.

7. All salary transactions must be supported by documentation which outlines the justification for the increase/decrease in salary.

8. Promotion increases may be granted to employees who are selected to fill positions in higher salary grades. The following guidelines provide the appropriate number of step increases that may be given due to promotion:

A.

Movement Up In Salary Grade	**Maximum Increase To Be Allowed**
1-2 Grades	up to 4 Steps (8%)
3 Grades	up to 5 Steps (10%)
4 or more Grades or to supervisory position	up to 6 Steps (12%)

The appropriate increase should place the employee on at least the first step of the new salary grade and can be less than the stated guidelines based on internal equity, budget considerations, or other factors. The number of steps to be provided cannot exceed guidelines unless a larger increase is required to bring the employee to the first step of his/her new salary grade.

B. When minimum requirements are waived, a reduced number of steps should be provided for the increase until such time as the employee fully meets the minimum requirements of the position. This increase can result in the employee's pay being below the minimum rate of his/her new salary range. (See Personnel Policies 0517, "Staffing of Department Vacancies," and 0522, "Waiver of Job Specification Minimum Requirements.")

C. Employees who apply for competitive promotions may not be eligible for consideration for up to three years following a disciplinary action, depending on the level of the discipline they have been given, as follows:

1.) Employees placed on disciplinary probation for testing positive for alcohol will not be eligible for a competitive (or a career ladder) promotion for two years: the year they are on probation and the year after being removed from probationary status. Other employees placed on disciplinary probation will not be eligible for a competitive promotion while on probation, but will become eligible after they are removed from probationary status. Although employees may be considered eligible to apply for competitive jobs after being removed from probationary status, the disciplinary actions can be considered for up to three years in determining if they will be given an interview and if they will be selected to fill the job vacancy.

2.) Employees issued suspensions without pay, disciplinary demotions, or written warnings (without also being placed on probation) should not be deemed automatically ineligible for consideration for a competitive promotion for a specific period of time. However, these disciplinary actions can be considered for up to three years in determining whether or not employees will be given an interview and if they will be selected to fill the job vacancy.

3.) Employees who have received verbal warnings within one year prior to applying for a competitive job should not be deemed automatically ineligible for consideration for an interview based solely on the verbal warning. However, these disciplinary actions can be considered for up to one year following the issuance of the verbal warning in determining whether or not employees will be given an interview and if they will be selected to fill the job vacancy.

See Personnel Policy 1026, "Career Ladder Promotions," for the criteria on career ladder promotions when employees have received disciplinary actions.

9. **Increases for lateral transfers** of up to two steps may be provided, with approval of the HR director, for some transfers within the same salary grade, if either of the conditions listed below is met:

A. The job is in a salary grade 11 or higher and requires relocation. To receive a salary increase under this criterion, the relocation must be supported by a compelling business need and the payment of relocation expenses must be approved by the district engineer or division leader/state engineer after consultation with the HR director.

B. The job requires a high level of expertise and is difficult to staff.

An employee shall not receive a salary increase for a lateral transfer to return to his/her previous job title at his/her previous location. If an employee returns to his/her previous title at his/her previous location within one year of receiving an increase for lateral transfer, his/her salary will be decreased by the amount of the previous increase.

10. **Temporary salary increases** may be granted as follows:

A. **Relocation increases** of four percent will be provided for a temporary six-month period for promotions that require employees to relocate to a different residence, and the promotions are to jobs in salary grade 11 or higher. This four percent increase will be given in addition to whatever is received for the promotion increase, and may result in an employee's salary being above the maximum rate of his/her new salary range. Relocation increases may also be available for lateral transfers (in salary grade 11 or higher) if the employee competed for the position in response to a job opportunity announcement, and the relocation expenses are approved by the relevant district engineer or division leader/state engineer after consultation with the HR director. Refer to Personnel Policy 2000, "Relocation Assistance."

If two steps do not provide an employee with approximately a four percent increase (around 3.8 percent or 3.9 percent), the employee's salary may be changed from table-driven pay to being placed on pay parameters to provide a flat four percent increase for this six-month period.

B. **Temporary assignment or promotion increases** may be available under Personnel Policy 1019, "Temporary Assignments or Promotions."

11. **Within-grade advancements** may be provided only when formally approved by the department and the Human Resources (HR) Division provides guidelines (e.g., performance and other eligibility criteria). When available, these increases are normally implemented in July. Within-grade advancements take the form of step increases and allow employees to advance within their salary range while maintaining the same salary grade assignment.

12. **General structure adjustments** (e.g. cost of living adjustments) may be provided only when formally approved by the department and in concurrence with guidelines provided by the HR Division. An employee's performance and other factors may limit, delay, or prevent him/her from receiving a general structure adjustment, which could result in the employee's salary being below the minimum step of the salary grade. When available, these increases are normally implemented in July. General structure adjustments are applied to the department's salary grid and each eligible employee's base salary, with all employees maintaining the same salary grade assignment.

13. **Reclassification increases** <u>may</u> be provided concurrent with the implementation of a job classification study. <u>Internal salary equity, budget considerations, employee performance, and other factors may limit, delay, or prevent the approval of any reclassification salary increase.</u>

Reclassifications upward will normally result in an employee, whose current salary is below the minimum salary of the new salary grade, being provided an increase to place him/her on at least

the minimum step of his/her new salary grade. However, if an employee does not fully meet the requirements of the position after it is reclassified, or has had recent performance/discipline issues, the department may determine to provide a salary that is below the minimum step of the new grade. If an employee's salary prior to the reclassification is within the range of the new salary grade, a salary increase may be authorized at the discretion of the HR director.

14. **Salary inequity increases** may be provided when, within six months of an employee's initial hire date, it is determined that the employee's qualifications were underestimated when employed. Other salary inequity increases may be allowed when approved and guidance is provided by the HR Division.

15. **Complexity salary increases** may be provided when an employee's job experiences substantive changes that increase the scope, impact, and complexity of the job, but not to the extent that it warrants a higher classification level. These salary increases must be approved by the HR Division.

16. **Salary reductions** are generally required when employees are demoted to lower salary grades. Refer to Personnel Policy 1021, "Demotion," for salary administration provisions when employees are demoted.

CROSS REFERENCES

Personnel Policy 0517, "Staffing of Department Vacancies"

Personnel Policy 0522, "Waiver of Job Specification Minimum Requirements"

Personnel Policy 1019, "Temporary Assignments or Promotions"

Personnel Policy 1021, "Demotion"

Personnel Policy 2000, "Relocation Assistance"

Personnel Policy 1026, "Career Ladder Promotions"

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