

	Policy: HR - Classified Staff Compensation	Page 1 of 9 plus 3 attachments
	Issued: November 9, 2005	Revised:

I. POLICY

The Department of Personnel has established procedures governing compensation for the state personnel system. Every classified employee shall be compensated within the pay grade assigned to a class. Within the salary range assigned to each pay grade, appointing authorities are responsible for establishing the appropriate pay rate for each employee. Compensation practices shall provide for equitable and fair treatment of similarly situated employees. This compensation policy is designed to establish guidelines for setting salary levels, and requesting discretionary and/or premium pay.

II. AUTHORITY FOR CAMPUS POLICIES

- A. Colorado Revised Statute 24-50-104
- B. State Personnel Board Rules and Directors Procedures, Chapter 3

III. PURPOSE

The Colorado Constitution, state law, State Personnel rule and college policy guide how pay is determined for classified employees. By law, employees covered by the state personnel system are to be compensated with salaries and other benefits comparable to those found in the public and private labor markets. State law provides that the State personnel director shall conduct annual surveys of the competitive labor market to determine comparable salary and benefits levels.

IV. DEFINITIONS AND GUIDELINES

A. Pay Plans - The heart of the compensation system is the pay plans—a plan for each of the 9 occupational groups. Most employees are covered by a pay plan that uses a series of grades. A grade indicates a unique range of salaries with a minimum and maximum. In any case, each class of work identified within the state personnel system is assigned to a grade in the appropriate pay plan. This means that any other employee within the state personnel system whose job is placed in the same class and grade will be paid within the same range. Movement through the range is generally based on performance.

B. Entry Salaries - The rules and procedures used in the state personnel system provide guidance as to what new employees are paid. Hiring above the minimum should be a unique practice due to labor market shortages in order to avoid inflating labor costs (hires and compression with current staff) or setting an unintended precedent for the future.

1. Initial hiring shall typically be at the minimum rate of the pay grade. On a showing of recruiting difficulty or other unusual condition, the appointing authority may authorize the appointment of a person at a higher base salary within the pay grade not to exceed the maximum of the range for the class.

2. Requests to hire at a salary that exceeds the minimum of the pay grade rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid.

3. The typical requests for higher salary rates are due to situations such as:

- a) Extensive or unique advertising required to fill position
- b) Fewer than three (3) qualified applicants
- c) Unusual market conditions
- d) Candidate with special skills hired
- e) Candidate's salary history higher than norm
- f) Equity within department
- g) Mission-critical or unique work assignment
- h) Retention or turnover issues

4. In such situations, the department may also consider the use of a non-base building signing award at its discretion, and in accordance with its established plan.

C. Reinstatements/Reappointments. Salaries may be set anywhere from the hire rate of the class being reinstated/reappointed into, up to a salary rate which reflects the relative position within the pay grade at which the employee was previously certified, adjusted for salary survey and occupational study changes. In the case of reappointment, if the current salary exceeds the previous rate described above, the current rate is the maximum rate. In no event may the new salary be set above the pay grade maximum of the new classification.

1. Requests to hire at a salary that exceeds the minimum of the pay grade rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid.

2. In the event that funds to support the new salary cannot be identified, the salary action cannot be completed.

D. Upward Movement (Promotions and Reallocations). An upward movement is an appointment to a class in a higher grade, based on comparison of the maximums of the classes involved. An example of an upward movement is when a position held by an employee is allocated upward and the employee is promoted to the higher class after an examination. Another example is when an employee successfully competes for a vacant position in a higher class. Either way, promotions in the state personnel system are always the result of some type of examination process. In no case shall the new base rate be lower than the minimum, except in disciplinary actions, or higher than the maximum of the new grade. Continuation of a salary increase is subject to satisfactory completion of the trial service period.

1. If an employee's current base salary is below the maximum of the new pay grade, an upward movement can result in an increase of up to 5.0% of the current base pay with the approval of the appointing authority (as long as it does not exceed the grade maximum).
2. If the employee's salary falls below the minimum of the new pay grade even after a 5.0% increase, the employee's salary must be increased by whatever amount necessary to meet the pay grade minimum.
3. Requests to promote at a salary that exceeds this rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid.
4. In the event that funds to support the new salary cannot be identified, the salary action cannot be completed

E. Downward Movement Guidelines – (Demotions)

1. A downward movement occurs any time an appointment is made to a new class at a lower grade, based on a comparison of the maximums of the classes involved. Downward movements are grouped into categories. One category may be the result of a classification review. One might be voluntary, as in the case of a demotion in lieu of layoff. Downward movements can be disciplinary in nature, or they can result when persons who are promoted are unsuccessful in their new class. Each of the above categories is handled somewhat differently under the state personnel system. Except in the case of disciplinary demotions, or when the employee is unsuccessful in a promotion to a higher class, the rules of the state personnel system attempt to protect the employee as much as possible from salary loss. In the case of downward movement resulting from job evaluation actions, even if the employee is moved to a class with a lower pay range, the current base pay is maintained for up to three years in accordance with the statutes. At the end

of the three-year saved-pay period, an employee would face a pay reduction only if the base pay is above the maximum of the range.

2. As specific rules apply based on the reason for the demotion, departments must work directly with the Human Resources office in establishing the appropriate salary level.

F. Lateral Movement Guidelines - (Transfers) - The salary for an employee on a lateral movement (transfer) is typically set at the current base salary.

G. Other Forms of Compensation

1. Overtime Compensation - In general, for an eligible employee, overtime is paid at one and one-half times the employee's pay rate for hours worked in excess of 40 hours per week. Please contact the Human Resources office for any specific questions on overtime regulations and how they are applied to classified staff.

H. Discretionary Pay Differentials

State Personnel Board Rules and Director's Procedures provide guidelines for types of discretionary pay available to classified employees, and for those types of premium pay, in addition to overtime, that are potentially available to classified employees.

1. Matching Pay: The intent of matching pay is to allow movement within a pay range for certain specified circumstances. Matching Pay applies to current, certified employees who remain in the same position, and can be base building, non-base building, or a combination of both.

a) Counteroffer: This is a counteroffer to a verifiable, bona fide, documented internal or external job offer when there is a need to retain an employee with a critical strategic skill set.

1. A counteroffer is available only to certified employees in a position requiring critical strategic skills.

2. An employee who meets both skill and position requirements shall be eligible for a counter offer no more than once every two years.

b) Compression Adjustment: The purpose of a compression adjustment is to ease compression within a range when newer employees are hired at higher base pay rates than current employees' and the longer-term employees' salaries have been below new hires for a period of time and there are documented retention problems.

c) Amount: Base pay (continuing, base-building) may be increased by any percentage up to grade maximum of the encumbered position. Non-base building (temporary) may be increased by any percentage up to the

statutory salary lid, in any given month, until the end of the current fiscal year.

d) Authority: The supervisor may request, in writing, a matching pay counter-offer adjustment or a matching pay compression adjustment. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.

e) The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient funds are identified and allocated to the account from which the employee is paid.

f) In the event that funds to support the request cannot be identified, the salary action cannot be completed

g) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

2. Signing Bonus: The intent of a signing bonus is to attract new, or reinstate, eligible employees into the state personnel system. A signing bonus does not apply to current state employees. This pay differential is non-base building and can be used in combination with, or in lieu of mid-range hiring. Signing bonuses may be used:

a) To fill critical positions where labor market shortages exist or documented recruitment/retention difficulty exists that jeopardize the campus mission.

b) To fill positions when an applicant possesses unique and critical skill in relationship to the market.

c) Amount: The bonus can be any amount up to 10% of the annual grade maximum for the job. The signing bonus should be split into at least two payments - one payment when the individual starts to work and the remaining payment upon completion of the probationary period. If the employee is not still employed in the same position and performing satisfactorily or above, subsequent payments are forfeited.

d) Authority: The supervisor may request, in writing, a signing bonus. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.

e) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

3. Referral Award: The intent of a referral award is to reward current employees for the referral and subsequent hire of a new employee into the state personnel system into a position with a unique, specialized skill when there are documented shortages in the market and recruitment and retention difficulty. This is a non-base building award. In addition, those with significant influence or responsibility for the hiring process are ineligible for this award. For example, Human Resources office staff and hiring supervisors or managers are ineligible.

- a) Amount: The referral award can be any amount up to \$500.
- b) Authority: The supervisor may request, in writing, a referral award. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.
- c) Once the request has been approved and submitted to the Human resources office, a written agreement will be prepared between the employee and the department.

4. Temporary Pay Differential: The intent of a temporary pay differential is to award temporary, non-base building pay in certain specified circumstances. The Temporary Pay Differential applies to current employees who remain in the same position. This differential also prevents the need of permanently and substantially altering the work assignment in order to attempt to justify a higher class for a temporary assignment. There are several purposes for temporary pay differential.

a) Temporary Pay - Acting Assignment -- The acting assignment differential applies when an employee assumes the full set of duties from a higher-level vacant position or from a higher-level encumbered position whose incumbent is on an extended leave. It can be used for a period that is longer than 30 days but cannot exceed six months.

b) Temporary Pay - Long-term Project -- The Long-term Project differential applies when an employee is assigned a project that is critical to the mission of the campus and enhances its operation. The type of project work is not customarily assigned to the position and project assignments are not an expected part of the regular assignment. (Note: this differential is not limited to project leaders only. Ongoing project leadership should be considered separately under the job evaluation system, perhaps as part of the work leader concept.)

c) Temporary Pay Differential - Critical Skills -- The Critical Skills differential applies when an employee has unique, specialized knowledge or skills that are critically important to the mission of the campus and its productivity. The skill set is of such value that loss of the employee, or inability to recruit for the skill set due to documented labor shortage and recruitment difficulty would result in a demonstrated, severe adverse impact on the campus.

d) Amount: The temporary pay differential can be any amount up to 10% of the employee's current pay rate.

e) Authority: The supervisor may request, in writing, a temporary pay differential. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.

f) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

5. Premium Pay - Agencies are required to pay shift and/or on-call premium pay to employees in the classes that are designated by the state personnel director as premium eligible. Department directors may approve shift differential and on-call eligibility for individual positions in classes not published as eligible for premium pay. For those positions, approval must be obtained before premium pay begins.

a) Shift Differential Pay is additional pay beyond base pay for working shifts, applicable to positions eligible for overtime under the FLSA provisions. Second shift rate applies when half or more of the scheduled work hours fall between 4:00 pm and 11:00 pm. Third shift rate applies when half or more of the scheduled work hours fall between 11:00 pm and 6:00 am.

1. Amount: If the hours are evenly split between shifts, the higher shift differential rate applies to all hours worked during the shift.

2. Authority: The supervisor may request, in writing, that a specific position be eligible for shift differential pay, and must include an updated PDQ which reflects the need for shift work. The request must document why it is necessary for the position to work the second or third shift. The request must include the recommended amount and the source of funds. The request must be approved by the appropriate vice president and the president.

3. Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department. On-Call Status Pay is additional pay for eligible employees specifically assigned in advance to such status. Freedom of movement is significantly restricted; however, the employee is still free to use this time effectively. On-call compensation should be supported by prevailing market practices.

1. To qualify for on-call status, an employee in this position should expect to be called back into work during the on-call period, be severely restricted geographically, and be constantly available by telephone.
2. Authority: The supervisor may request, in writing, that a specific position be eligible for on-call pay, and must submit an updated PDQ which reflects the need to be on-call. The request should provide documentation that comparable positions in the marketplace receive this type of premium pay. Document any recruitment or retention issues your department has experienced that are directly related to lack of on-call compensation, and any other relevant information. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.
3. Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

(c) Call Back Pay is payment made at base pay rate, paid for no less than two hours, when an eligible employee is required to report to work before or after a scheduled shift (not a continuation of the shift). Eligible employees are those who are eligible for overtime.

V. PROCEDURES

A. Request for Discretionary Pay Differential for Classified Staff

1. Use the Discretionary Pay form.

B. Request for Shift Differential Pay for Classified Staff

1. Use the Shift Differential form.

C. Request for On-Call Pay for Classified Staff

1. Use the On Call Pay form.

D. For all requests, complete the “Manager’s Compensation Decision Worksheet.” (found on page 5 of referenced link).

http://www.colorado.gov/dpa/dhr/rules/documents/mgrpay_000.pdf

VI. RESPONSIBILITY

A. The Human Resources office is responsible for implementing the provisions of this policy.

VII. ATTACHMENTS

A. Discretionary Pay Form

Use this form to document justification of Matching Pay, Signing Bonus, Temporary Pay or Referral Award for an eligible employee

B. Shift Differential Form

Use this form to document justification of Shift Differential pay for an eligible employee

C. On-Call Pay Form

Use this form to document justification of On-Call pay for an eligible employee

Request for Discretionary Pay Differential for Classified Staff

Use this form to document justification for Matching Pay, Signing Bonus, Temporary Pay or a Referral Award for an eligible employee.

Employee Name _____ Employee ID _____

Job Class Code & Title _____
Position # _____ Department _____

Requested Effective Date _____

Please check which of the following apply to this position.

- Matching Pay – Counteroffer to a verifiable, documented, bona fide internal or external job offer that must be presented in writing. (Copy of offer must be attached.)
- Matching Pay-Compression Adjustment -- Ease compression within a range when newer employees are hired at higher base pay rates than current employees.
- Signing Bonus --To fill critical positions where labor market shortages exist or documented recruitment/retention difficulty exists that jeopardize the campus mission.
- Signing Bonus --To fill positions when an applicant possesses unique and critical skill in relationship to the market.
- Temporary Pay - Acting Assignment -- Used for a period that is longer than 30 days but less than six months.
- Temporary Pay - Long-term Project -- Applies when an employee is assigned a project, which is critical to the mission of the campus and enhances its operation and lasts more than six months.
- Temporary Pay – Critical Skills -- Applies when an employee has unique, specialized knowledge or skills that are critically important to the mission of the campus and its productivity.
- Referral Award -- Rewards current employees for the referral and subsequent hire of a new employee. (Identify new employee hired.)

Recommended Amount: \$_____ Continuing? Temporary?

Justification:

What is the estimated cost for this employee for this fiscal year? _____

Have you identified the source of these additional funds? State source. _____

Immediate Supervisor Approval _____ Date _____

Appointing Authority Approval _____ Date _____

Vice president Approval _____ Date _____

President Approval _____ Date _____

Request for Shift Differential Pay for Classified Staff

Use this form to document justification of shift differential pay for working shifts for positions not exempt from FLSA overtime provisions, and not published as eligible for premium pay.

Employee Name: _____ Employee ID _____

Job Code and Title: _____ Position # _____

Department: _____ Requested Effective Date: _____

Second Shift (4:00pm to 11:00pm). This applies when half or more of the scheduled work hours fall within this time period.

Third Shift (11:00pm to 6:00am). This applies when half or more of the scheduled work hours fall within this time period.

Why is it appropriate for this position to work either second or third shift?

Immediate Supervisor Approval _____ Date _____

Appointing Authority Approval _____ Date _____

Vice president Approval _____ Date _____

President Approval _____ Date _____

Request for On-Call Pay for Classified Staff

Use this form to document justification of on-call pay for an employee specifically assigned in advance to such status, and for positions not published as eligible for premium pay.

Employee Name: _____ Employee ID _____

Job Code and Title: _____

Position #: _____ Department: _____

Requested Effective Date: _____

Please check any of the following that apply to this position.

- Employee in this position EXPECTS to be called back into work during the on-call period.
- Employee in this position is severely restricted geographically during the on-call period.
- Employee in this position must be constantly available by telephone during the on-call period.
- Position is not exempt from the FLSA overtime provisions.

Please complete the following:

How often, and for what period of time is this position typically on-call?

Are comparable positions in the marketplace compensated this way? If so, provide documentation.

Please document any recruitment or retention issues your department has experienced that are directly related to lack of on-call compensation.

Any other relevant information?

This department has considered the financial implications of requesting on-call status for this position.

Immediate Supervisor Approval	Date
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Appointing Authority Approval	Date
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Vice president Approval	Date
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President Approval	Date
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Note: Carrying a pager or cell phone only is not an appropriate justification for on-call status.