POLICIES AND PROCEDURES FOR THE ADMINISTRATION OF THE 2017-2018 CLASSIFICATION AND COMPENSATION PLAN

This Classification and Compensation Plan is part of the 2017-2018 operating budget, as approved by the Board of Supervisors, and is effective July 1, 2017.

§ 1. Pay Philosophy:

In an effort to attract, motivate, and retain quality employees committed to providing a high level of public service, it is the county's philosophy to maximize external market competitiveness while maintaining internal equity. At no time shall race, religion, creed, color, gender, national origin, age, or disability be considered in making any classification or compensation decisions.

In addition to other factors, the county follows a pay for performance approach when evaluating employee pay increases. Employees experiencing performance or behavior issues as evidenced by a low EDP rating, disciplinary probation, or major disciplinary actions or employees working under performance improvement plans may not be eligible for any type of salary increase.

§ 2. Job Evaluation System:

Internally consistent pay relationships are based on the content of the work performed, the skills required and the relative contribution of the work to the county's overall objectives. Positions are evaluated at the time of creation and when duties and responsibilities have significantly changed. Several methods are used to evaluate jobs to determine their relative worth and may include point factor analysis, a review of market data relative to that job and internal equity within the department and county-wide. Based on the results of the job evaluation, a pay grade is assigned. In certain cases, because of market demand for a particular job title, a job may have an expanded range (i.e. Grade 38/39).

§ 3. Maintenance of the Classification and Compensation Plan:

The Department of Human Resources (HR), under the direction of the County Administrator, is responsible for administration and maintenance of the Classification and Compensation Plan. On a continuous basis, HR staff monitor the market and local compensation trends. HR staff periodically conduct benchmarking surveys of county positions to ensure pay rates remain competitive in the market. Regrades based on market rates may be recommended at that time.

The Department of Human Resources also conducts continuing studies of the internal relationships between classifications to ensure internal equity. Based upon an analysis of salary data, turnover, recruitment effectiveness, incumbents’ salaries, economic conditions, and the county’s ability to pay, the County Administrator will review and approve increases, reductions, or amendments to the Classification and Compensation Plan as deemed
necessary. The County Administrator may revise the Classification and Compensation Plan throughout the fiscal year at the county administrator’s discretion.

§ 4. Creating New Positions:

The Board of Supervisors must authorize all new full-time positions. Typically, this occurs as part of the annual budget process in accordance with Department of Budget and Management policies and procedures. Positions may also be created throughout the year by special Board action. New position agenda items will be coordinated with the Department of Budget and Management, HR, Deputy County Administrators and the Office of the Clerk to the Board. Before Board approval, HR will provide advice on a proposed classification for the position. After Board approval, HR will classify the position, assign a position number, and notify the department of this information so a personnel requisition can be prepared and submitted to initiate the recruitment process. Grant funded positions should be designated as such. Departments should allow more time for creation and classification of a new full-time position than for part-time positions.

When a department has identified a need for a new part-time position, a memorandum requesting the position should be submitted to HR, with a copy to Budget and Management, at least two weeks prior to advertising. The memorandum should state that part-time funds are available and must include a short summary of the position’s hours, duties, requirements etc. HR will classify the position, assign a position number, and notify the department so a personnel requisition can be prepared and submitted to initiate the recruitment process. A PDQ may be attached instead of including duties and responsibilities in the memorandum. Refer to Administrative Procedure 6-8 for further details.

§ 5. Definitions:

A. Acting Appointment - The temporary assignment of an employee to a position in a higher classification for an anticipated period of at least sixty (60) calendar days, pending recruitment and selection. In some cases, HR may approve an acting assignment period of less than sixty days. An acting appointment can result from a vacant position or a position in which the incumbent is on leave for an extended period of time. (See section 9)

B. Administrative Increase – The salary adjustment available to new employees hired during the fiscal year who will not have accrued one year of service as of the start of the next fiscal year, and therefore are not eligible for the merit increase for the fiscal year. The administrative increase also applies to reinstated employees whose separation period was greater than 30 days. (See section 16)

C. Career Development Plan – A structured path for career growth that encourages employees to enhance their job knowledge and skills. Plans should result in an increase in job skills and responsibilities. New career development plans and revisions to existing plans must be approved by Human Resources. Employees who advance by participating in career development plans do not go through a competitive recruitment process and may or may not change salary grades. (See Career Development Plan Guidelines for additional
D. **Classification** - A group of positions that perform similar duties, require similar qualifications, and are compensated in the same salary grade.

E. **Demotion** - The voluntary or involuntary assignment of an employee to a different position in a classification with a lower salary grade than the employee's current position. (See section 12)

F. **Effective Date** - All personnel transactions that impact an employee’s pay are effective the first day of the pay period in which the transaction occurs or is approved by HR or the County Administrator. Exceptions require a memorandum to HR. In the event of a request for an exception or a special salary adjustment, to avoid a potential employee morale issue, the transaction should not be shared with the employee in advance of the approval, in case the request is denied.

G. **Exempt Employee** - An employee who is exempt from guidelines and regulations established by the Fair Labor Standards Act (FLSA).

H. **Index of Classifications** - A list of authorized classifications and the salary grade and FLSA designation for each. Refer to Sections II and III of this Classification and Compensation Plan for the Index.

I. **Merit Date** - The date on which an employee is eligible for a performance evaluation and a merit increase. Chesterfield County has a common merit date of July 1 for all employees. Merit increases are effective the first day of the pay period in which July 1 falls.

J. **Nonexempt Employee** - An employee who is subject to guidelines and regulations established by the Fair Labor Standards Act (FLSA).

K. **Pay Structure Adjustment** - A percentage increase to the pay structure effective the first day of the fiscal year. Employees whose salaries are less than the new range minimum due to a pay structure adjustment shall be raised to the new minimum July 1, 2017.

L. **Position** - A group of currently assigned duties and responsibilities that require the full-time or part-time employment of one person. The Board of Supervisors must authorize all new full-time positions.

M. **Promotion** - The selection of a current employee in a competitive recruitment process to fill a position in a classification having a higher salary grade than the employee's current position. (See section 11)

N. **Reclassification** - A personnel transaction that occurs when position duties and responsibilities have changed substantially, resulting in an increase or decrease in job content, sufficient to change the salary grade assigned to that position. (See section 13)
O. **Regrade** – An increase in salary grade assigned to a classification, as a result of market movement, typically effective the first day of the fiscal year. Employees whose salaries are less than the new range minimum due to a regrade shall be raised to the new minimum effective July 1, 2017.

P. **Salary Reduction** - In certain circumstances, an employee’s salary or hourly rate of pay may be temporarily reduced due to, for example, the loss of a license or certification because the loss prevents the employee from performing the full duties of the job (i.e. loss of a driver’s license for a position that requires driving). If the employee later obtains the required license or certification within the timeframe required by the department, the employee’s salary may be increased by the dollar amount of the pay reduction, not by a percentage of pay.

Q. **Special Salary Adjustment** – In unique situations, an in-grade adjustment utilized to retain key employees, resolve internal equity issues or provide compensation for additional duties. Special Salary Adjustments for full-time employees are initiated by the Department Director/Office Administrator, reviewed by HR, and require approval by the County Administrator. Special Salary Adjustments equal to or less than 2% for full-time employees and Special Salary Adjustments for part-time employees are initiated by the Department Director/Office Administrator and require approval by HR. Employees may not receive more than one Special Salary Adjustment in a 36-month period.

R. **Trainee** – A new employee with less than the minimum qualifications to perform the job. (See section 8B)

S. **Transfer** - The voluntary or involuntary assignment of an employee to a different position with the same salary grade, resulting from recruitment or managerial action. Also, the reassignment of an employee to a different supervisor. (See section 10)

T. **Underfill** - The filling of a vacant position at a lower classification than that which is authorized. Underfilling a position should be used only if there is a valid business need and requires written justification and HR approval. The employee’s salary will be reviewed on a case-by-case basis, but will be increased to at least the minimum of the new range when removed from underfill status.

§ 6. **Merit Increases:**

Merit increases are awarded as a result of employee performance. Full-time and part-time employees who are successful in meeting the performance expectations of their positions will receive the approved 2% merit increase for FY18. Employees who receive a performance rating of Needs Improvement on their EDP may be eligible for a 1% merit. Employees rated as Unsatisfactory are not eligible to receive a merit increase for FY18. Seasonal and temporary/on call employees are not eligible for a merit increase. Also, employees in trainee status who have not completed their initial probationary period are not eligible for a merit increase (see section 8B).

Chesterfield County has a common merit date of July 1 for all employees. When merit
increases are given, they are effective the first day of the pay period in which July 1 falls. Under limited circumstances, an employee may receive a performance evaluation and/or merit increase on a date other than July 1. Such exceptions to the July 1 merit date are stated within affected policies and procedures. A full merit increase would be received each successive July 1, provided the employee continues to meet performance expectations. Those employees who do not receive a merit increase because of performance must be identified by their department prior to July 1st of each year. **Refer to Administrative Procedure 6-5 for further details.**

Merit increases are processed prior to other salary adjustments effective July 1, including salary adjustments due to pay structure movement, position reclassification, classification title regrade, promotion, and progression in an approved career development plan. If, after applying the merit increase and other applicable salary adjustments, the employee is below the new minimum for his pay grade, the employee’s salary is increased to the new minimum.

An employee’s salary may not exceed the maximum of their salary range. Employees above the maximum of their range will not receive a merit increase or a lump sum payment. Full-time employees at the maximum of their range, who meet or exceed expectations, may receive a lump sum payment in lieu of all, or a portion of, their merit increase. An employee may choose to defer all or a portion of the lump sum payment into a deferred compensation account. If this is the case, the employee should contact HR to complete the necessary forms.

§ 7. **Cash Awards:**

Based on their performance, employees may also be eligible for two types of cash awards (Celebrating Success Award and First Choice Award). **Refer to Administrative Procedure 6-14 for further details.**

§ 8. **New Hires:**

Every effort should be made to recruit and select a qualified employee within the first quartile of the range. Exceptions may be granted in the following cases:

A. **Hire within Grade:** Department Directors/Office Administrators have the discretion to authorize a salary in the first quartile of the position’s range. If a new employee substantially exceeds the minimum qualifications of the position, a salary higher than the first quartile may be necessary. If a salary higher than the first quartile of the range is necessary, written justification should be directed to HR for approval prior to making the job offer. New hire salaries above the third quartile require County Administrator approval. Part-time new hire pay rates above the first quartile may be approved by HR. **Refer to Administrative Procedure 6-7 for further details.**

To maintain internal equity, Department Directors are encouraged to research salaries of current employees within their department and take this into consideration when making salary offers.
B. **Trainee:** If it becomes necessary to appoint a new employee with less than the minimum qualifications, the employee should receive a trainee rate of 5% or 10% below the minimum salary for the classification. Trainees are limited to twelve (12) months in such status, at which time they must be moved to the minimum of the range or terminated. Extensions to the 12-month period or transfer options within the department must be approved by HR. In most cases, employees in trainee status are not eligible to receive merit increases. Upon removal from trainee status, an employee will not be credited with any merit increase that occurred while in such status.

To ensure consistency in the calculation method for determining pay rates for employees hired at a trainee status, the following method should be used:

Minimum of pay grade X adjustment percentile = Trainee pay rate

The following are two examples of the calculation, based on grade 38:

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\begin{align*}
\text{Minimum of pay grade X adjustment percentile} &= \text{Trainee pay rate} \\
\$42,157 \times 0.95 \text{ (for 5\% below minimum)} &= \$40,049 \\
\$42,157 \times 0.90 \text{ (for 10\% below minimum)} &= \$37,941
\end{align*}
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§ 9. **Acting Appointments:**

Acting appointments may be made for vacant positions or positions in which the incumbent is on leave for an extended period of time. They are temporary assignments, pending recruitment and selection or return of the current incumbent, and shall not be used for promotional purposes. The anticipated duration of the acting status should be at least sixty (60) calendar days, but in some cases, the acting assignment period may be less than sixty days. Prior to the beginning of acting status, the department shall consult with HR and request authorization for such action, specifying the estimated duration of the acting assignment.

Employees placed in an acting appointment are limited to twelve (12) months in such status, at which time the department must advertise for the position and go through a competitive recruitment process to fill the position. HR must approve extensions to the 12-month period.

In some cases, a Department Director/Office Administrator may choose to rotate the acting status among more than one staff member. In this case, the anticipated duration of the acting status should be at least sixty (60) calendar days cumulatively.

The salary of the acting appointee is adjusted to the minimum salary of the grade in which appointed, or to a rate 5% above the employee's current salary, whichever is greater. At the end of acting status, unless the employee is promoted permanently to the position, the employee's rate of pay is adjusted to that received prior to appointment to acting status. If an employee is in an acting capacity on July 1, the performance appraisal is based on the employee's performance in the non-acting position and the merit increase is calculated using the pre-acting salary. After the merit increase is awarded, the 5% acting pay is added back to
the new salary.

§ 10. **Transfers:**

Transfers typically do not result in or warrant a salary increase. However, for a transfer resulting from competitive recruitment, a salary increase may be considered when the position that the employee is transferring to is in a different job classification and it is determined that the position requires new and/or additional skills than the position the employee is transferring from. With appropriate justification, a salary increase, in most cases up to 5%, may be approved by HR. Written justification describing the new skills and/or how the job differs should be directed to HR for approval prior to making the job offer. The department should consider internal equity when determining the salary increase amount to request.

Transfers to another department may result in a negotiated reduction in pay if substantial retraining is necessary or if a funding or internal equity concern exists. **Refer to Administrative Procedure 6-7 for further details.**

§ 11. **Promotions:**

Promoted employees may be eligible for a promotion increase of 10%. For in-grade promotions (i.e. from grade 37 to grade 37+10%, grade 39 to 39/40, grade 38/39 to 39), a promotional increase of up to 7.5% is calculated on the employee’s salary. The in-grade promotional increase also applies to promotions within the same grade on the IT pay structure.

Employees compensated below the minimum of the range after the promotion increase will receive an increase to the new range minimum. HR may approve an increase less than 10% or an additional increase through the third quartile of the salary range with appropriate justification. An increase in the fourth quartile requires approval from the County Administrator. Such transactions require written justification to HR from the Department Director/Office Administrator.

Promotions in Public Safety may be handled according to specific departmental policies.

§ 12. **Demotions:**

The salary of the demoted employee can be reduced by any amount as long as the salary is within the employee’s new range, but must be reduced by at least 5% or to the maximum of the new range, whichever is lower. For voluntary demotions only, the Department Director/Office Administrator may approve continuing the employee’s salary at the rate of pay prior to demotion provided such salary falls within the range of pay for the new position. A memorandum containing the circumstances surrounding the demotion should be sent at the same time as the employee’s Personnel Action Form. If the demoted employee’s salary is not reduced, the employee is ineligible for an increase as a result of future reclassification or promotion to the prior grade level for twelve months from the date of demotion.
§ 13. **Reclassifications:**

Reclassifications are effective the first day of the pay period in which approved, unless otherwise noted in the study report, attached comments or annual budget.

When a position is reclassified to a higher salary grade, the incumbent may be eligible for a 5% increase to base salary, or increase to minimum of the new salary range, whichever is higher. When a position graded on the IT pay structure is reclassified within the same salary grade (e.g. T1 to T1), the incumbent may be eligible for a 5% increase to base salary. When a position graded on the IT pay structure is reclassified to a higher salary grade (e.g. T1 to T2), the incumbent may be eligible for a 7.5% increase to base salary, or increase to the minimum of the new salary range, whichever is higher. Such increases are not available to employees during their initial probationary period unless the employee’s current salary is below the minimum of the new range.

HR may approve an additional increase up to midpoint of the salary range with appropriate justification. An increase above range midpoint requires approval from the County Administrator.

When a position is reclassified to a lower grade, the department may reduce the incumbent’s base salary by 5% or to the maximum of the new range, whichever is lower. Refer to Administrative Procedure 6-8 for further details.

§ 14. **Overtime Pay, Compensatory Time:**

It is county policy to comply with applicable wage and hour laws and regulations regarding overtime pay and compensatory time. Employees with questions or concerns about their status under the Fair Labor Standards Act (FLSA) should immediately raise the issue with their department management or HR. Refer to Administrative Procedure 6-17 for further details.

§ 15. **Part-time Employment:**

Unless stated otherwise, part-time employees are governed by the same compensation policies as full-time employees:

A. When a current part-time employee is hired for a full-time position, the Department Director/Office Administrator can offer a salary within the first quartile of the salary range. Because of this, the employee does not receive a promotional increase. If the part-time to full-time status change is within the same department, use personnel action 41-Part-time to Full-time. If the part-time to full-time status change is to a new department, use personnel action 76-Part-time to Full-time to New Department. (See section 10)

When establishing a salary for a part-time employee hired for a full-time position,
departments should consider the new VRS deduction the employee will incur.

B. When a part-time employee is hired for another part-time position at a higher grade within their current department as a result of a competitive process, the transaction is coded as a promotion on the personnel action form. (See section 11)

C. When a part-time employee is hired for another part-time position in a different department, regardless of the grade of the new position, it is coded as a transfer to a new department on the personnel action form. Use personnel action 71-Transfer (to New Dept). The new Department Director/Office Administrator can offer starting pay within the first quartile of the salary range. Starting pay rates above the first quartile of the salary range require HR approval.

D. When a full-time employee changes to part-time status, it is considered a change of employment status with loss of full-time benefits. Once the employee and department have negotiated an acceptable pay rate within the range assigned to that classification, a memorandum should be sent to HR for approval.

E. For information on benefits eligibility criteria for part-time employees, refer to Administrative Procedure 6-11.

§ 16. Administrative Increases:

Administrative increases are provided to employees who were hired during the fiscal year and will not have accrued one year of service as of the start of the next fiscal year and to reinstated employees whose separation periods were greater than 30 days during the fiscal year. Such employees are within their twelve-month probationary period, and therefore are not eligible for a merit increase at the start of the next fiscal year.

The administrative increase is prorated for the time period between the employee’s hire date or reinstatement date and the last day of the fiscal year. The proration calculation is based on the same percentage increase as the merit for the fiscal year. An administrative increase does not end the twelve-month probationary period for the employee.