OPTIONAL PAY ADJUSTMENT POLICY

PURPOSE AND SCOPE

This establishes the policy and procedure through which the University of Louisiana at Monroe grants individual pay adjustments to permanent employees for retention of an employee, to reduce pay compression, to compensate employees for performing additional duties or to recruit employees.

APPLICABLE CIVIL SERVICE RULE

Rule 6.16.2 Optional Pay Adjustments

Subject to the provision of Rule 6.16.2, the President of the University of Louisiana at Monroe or his/her designee (Delegated Appointing Authority) may grant base pay or lump sum adjustments to permanent classified employees under the following circumstances:

1. **Matching a Job Offer**

   When the loss of an essential employee would be detrimental to the University, SCS Rule 6.16.2(a) allows a base pay increase of up to ten percent (10%) base pay in order to match a written job offer from a non-state employer or unclassified job offer in a different state department. Employees at range maximum are not eligible for increases. Employees who are leaving the University of Louisiana at Monroe to accept another state classified position are not eligible.

2. **Recruitment**

   When it is necessary to hire a classified permanent state employee into a position for which recruiting is difficult, SCS Rule 6.16.2(d) allows a base pay increase of up to ten percent (10%) of the base salary. This increase may be granted in addition to any other compensation granted under Civil Service Rule 6.7. Employees at range maximum are not eligible.

3. **Compression Pay**

   When the appointing authority believes there are circumstances which warrant an adjustment, SCS Rule 6.16.2(b) allows a base pay increase of up to ten percent (10%) to reduce pay compression.

   When considering a request for optional pay based on a disparate pay situation the length of state service and ULM service of the employee(s), the amount of time in the applicable job title, the proximity of the position(s) and what effect granting the increase will have on other employees should be considered. Creating other disparate pay situations should be avoided. Employees at range maximum are not eligible for this increase.

   Salary compression may occur when managers/supervisors are paid at a rate lower than those that they supervise. Please remember that it is perfectly logical that a 20-year employee in a staff level position will have a higher salary than a supervisor with just seven years of service/experience. However, if the supervisor has 20 years of service/experience and makes less than the subordinate with 7 years of service, an agency may want to give an increase to the supervisor.

Salary compression may also be caused when there is only an insignificant difference in pay between employees in the same job series, despite significant differences in merit factors such as:

- length of total state service
- time in current job series
- skills and experience
- education/credentials
- performance

This often happens when the current employee pay hasn't kept up with increases in the market pay rate resulting in a situation in which new hires are hired at levels similar to employees who have been with the state for many years. Merit factors should always be taken in to consideration and only employees at your agency should be compared.

If an agency is planning to pay a large group of employees, give compression to the same employee in multiple fiscal years, or would like to address something the agency feels is compression specifically not listed above, please contact your compensation consultant prior to making payment.

When entering compression payments in LaGov, agencies should maintain text about the employee, the comparable employee(s), reason for the payment, and any merit factors used to determine that the compression payment is justified. Non-LaGov agencies should keep this information on file.

4. **Additional Duties**

Under SCS Rule 6.16.2(c), a base pay increase of up to five percent (5%) may be granted to an employee who is assigned additional duties on a permanent basis. Such permanent duties shall be documented on an official position description form and processed by SCS within 30 days prior to granting the adjustment. Employees at a range maximum who are assigned additional permanent duties may receive a one-time lump sum of up to five percent (5%) of their base pay for such duties.

Employees who are assigned additional duties for a limited time period may receive a lump sum of up to five percent (5%) of their base pay for such duties. Payment of such a lump sum may be made in one payment at the end of the duration of the duties or may be spread among pay periods for the duration of the assignment for a period not to exceed one year. If the duration of the assignment exceeds one year, a request for payment must be resubmitted to the President or his/her designee (Delegated Appointing Authority) for approval. Employees at range maximum who are assigned additional temporary duties may receive a one-time lump sum payment of up to five percent (5%) of their base pay. Such payment may be made at any time during the period the duties are being performed.

No employee shall be eligible for either a lump sum or base pay increase for additional duties, which were compensated according to another Civil Service Rule.

An employee may not receive more than 10% in base pay increases within three consecutive years.

University Policy

This policy becomes effective upon the date approved by the Civil Service Commission. Subsequent revisions shall become effective on the date the revisions are approved by the Civil Service Commission.

Implementation of any of the above Optional Pay Adjustments is contingent upon the following conditions/criteria:

1. All requests for application of this rule must be submitted in writing via memorandum with justification by the employee's supervisor and be processed through the appropriate Vice President or Chief Business Officer.

2. An "Optional Pay Adjustment Questionnaire for Additional Duties" must be completed for all requests for payment for permanent or temporary additional duties and submitted to the Human Resources Office.

3. The additional duties assigned should require that the employee possess new skills or competencies.

4. Funding must be available and verified by the Chief Business Officer.

5. No employee shall receive more than the maximum amount allowed by Civil Service within a fiscal year. With the exception of additional duties, the cumulative maximum increase an employee may receive under any of the optional pay provisions is ten percent (10%) in a fiscal year (July 1 to June 30) and shall not duplicate a payment received pursuant to any other rule. Employees who are at range maximum are only eligible for a lump sum payment for additional duties and cannot receive lump sum payments in consecutive years even if the reasons for the adjustment are different.

6. The policy shall be available on the Department of Human Resources webpage (www.ulm.edu/hr).

7. A listing of all employees who receive increases according to this policy/rule shall be posted on the Department of Human Resources webpage (www.ulm.edu/hr). These postings will remain on the webpage for two years following their effective date, then removed.

8. No payments will be made until final approval is granted by the President or his/her designee (Delegated Appointing Authority).

9. The University will submit an annual report to the Department of Civil Service no later than July 31st of each year, documenting all optional pay adjustments made during the prior fiscal year. All optional pay adjustments are subject to audit and review by the Department of Civil Service and the Legislative Auditors.

The Director of Civil Service may revoke the University's discretion to use these special pay options if it is determined that the University has abused the discretion granted by these rules.

An employee's pay is subject to reduction when, after a hearing before the Commission or its designee, it is determined that the employee has benefited from the increased pay as a result of either a violation of these rules, or an abuse of the discretion granted in these rules.

Appointing Authority Signature

OPTIONAL PAY ADJUSTMENT QUESTIONNAIRE FOR ADDITIONAL DUTIES

Employee Name: ______________________ Social Security No.: ______________

Job Title: ______________________
(If the employee is on detail, please include both the detail position and the home position.)

Department: ______________________

Agency/Division: ______________________

Pay Level/Range: ______________ Employee's Salary: ______________

Level of Work on Job Specification: ______________________

Percent Adjustment Requested: ______________________

Type of Adjustment: ☐ Lump sum ☐ Temporary ☐ Base Pay

Effective Date: ______________________
(Normally the effective date should be the date of the Commission meeting)

Requested Effective Date: ______________________
(If you are requesting a date other than the Commission date, it should be set within the parameters established in the HR Newsletter entitled "Donations and Pay" issued by Robert Boland on 2-11-04)

1. What are the additional duties?

2. Has the job description been updated? ☐ No ☐ Yes

3. Were any duties removed to facilitate this new duty? ☐ No ☐ Yes If so, which ones?

4. Is (are) the duty(ies) permanent or temporary?

5. What percentage of time are the additional duties allocated?

6. Would you consider the duties to be lower, higher or the same level as the duties performed in the current job? This answer may include an assessment from the employee's manager, but must include HR's assessment if a delegated agency.

7. Does this result in some savings for the agency? ☐ No ☐ Yes If so, how? What are the projected dollar savings?

8. Will the employee be required to learn new skills and/or competencies? ☐ No ☐ Yes
If so, please explain.

9. Many jobs evolve over time, due to procedural differences and technology changes. How are these duties different from a natural evolution of the job?

10. Has the employee received an Optional Pay increase before? If so, please list dates and reasons.

11. If the employee is not an Administrator, has the agency made all allowable payments under the agency policy?

Approvals:

______________________________	______________________________
Budget Unit Head	Date
______________________________	______________________________
Vice President	Date
______________________________	______________________________
Appointing Authority	Date