



## Salary Administration Administrative Policy # 18

July 2017

### I. POLICY

The City of Portsmouth is an equal opportunity employer and maintains fair and equitable salary administration practices for both internal and external salary actions based on an individual's proven qualifications for a position, overall job performance, and the degree to which an employee's performance and job conduct meets or exceeds expectations.

The following guidelines are therefore established to assist in providing for the consistent administration of salary actions. It should be noted these guidelines do not establish a set formula or percentage for determining salary offers or the amount of adjustments. Salary offers and salary adjustments will be based on overall consideration of relevant circumstances of the individual case. In all situations, employee salaries may not exceed the maximum salary of the established grade associated with the position.

The City Manager retains the authority to make administrative salary adjustments, to create additional classifications, reclassifications, appointments, and positions. Recommendations approved by the City Manager shall become effective on the date determined by the City Manager and after funds have been included in the budget.

#### A. New Employees

A new employee shall be paid at least the minimum salary of the salary range for the position in which they are hired. In cases where the new employee significantly exceeds the minimum qualifications of the position, the employee may be paid a starting salary above the minimum of the established salary range with the approval of the City Manager.

The Department Head must provide written detailed justification to support any recommendation to hire an employee above the minimum of the salary range. The recommendations will be thoroughly reviewed by the Director of Human Resource Management and will include consideration of the individual's overall qualifications, internal equity and other related factors. The Director of Human Resource Management will make recommendations to the City Manager for approval.

All newly hired employees will be considered probationary for one full year from the employee's continuous service date (i.e. an employee hired on July 1<sup>st</sup> is probationary through July 1<sup>st</sup> of the following year).

## B. Promotional Increases – General Employees

An employee selected and approved for promotion to a higher level position through a competitive process will be eligible for a corresponding salary increase. Standard promotional salary increases are generally authorized at 5% above the employee's current salary or the minimum salary of the new grade, whichever is higher; however, salary increases may be authorized up to 15% above the employee's current salary with all relevant factors considered and balanced in determining the appropriate amount of the promotional increase. The factors do not constitute a set formula for determining the amount of adjustment, but may include without being limited to the following:

- The employee's qualifications related to the new position;
- The increase in scope of supervision and management associated with the new position;
- Whether the employee will transition from an overtime non-exempt position where they regularly worked significant overtime to an overtime exempt position; and
- Internal equity considerations

## C. Promotional Increases – Public Safety Sworn Employees

Sworn employees selected and approved for promotion to a higher rank through the sworn promotional process will be eligible for a corresponding salary increase of 10% or the minimum salary of the new grade, whichever is higher.

## D. Lateral Position Transfer

An employee who transfers to another closely related position in the same or equivalent salary range will transfer at the employee's same salary. Transfers may occur within or between departments, and by selection from the employment process. Transfers in and of themselves will not result in an increase in the employee's compensation.

## E. Demotions

Any employee involuntarily or voluntarily demoted to a lower grade shall receive compensation according to the grade into which the employee is placed. The Director of Human Resource Management will designate the salary with final approval of the City Manager or designee. An employee will not be compensated at a rate less than the minimum salary for the grade to which demoted, nor may the maximum compensation for the position exceed the grade maximum.

## F. Position Reclassifications

A reclassification is a change to the established job title or the grade assigned to the position due to significant changes in the essential functions of a position. Reclassifications will be reviewed on an individual basis to determine the appropriate grade for the positions. Typically, reclassifications are conducted during the annual budget process, however, Department Heads may make requests for

classifications outside of the budget process based on the needs of their department. When an employee's position is reclassified, the employee's salary shall generally remain at the same rate of pay within the new range as before the reclassification. All employees will be paid at least the minimum range for the classification. Examples include restructuring of job hierarchy, title changes and/or grade adjustment that more closely aligns the current essential functions with the appropriate grade to reflect appropriate labor market salaries for the city's market.

When a position or job is reclassified to a higher salary range based on significantly increased job responsibilities, the incumbent employee may be eligible for a salary adjustment. When the reclassification is based on major changes in responsibilities such as taking on supervisory responsibilities, or additional significantly higher level technical or professional responsibilities, the employee may qualify for a reclassification adjustment corresponding to the city's promotional salary increases at the time the reclassification is effective.

When an employee's position is reclassified to a lower pay grade and the present salary is above the maximum of the lower grade, the employee's salary will remain the same for the first budget year of the reclassification. Future adjustments will be determined each budget year to bring the salary within the range.

Reclassifications based on job studies or compensation plan revisions may have separate policies governing salary adjustments. The Director of Human Resource Management shall review all position reclassifications and make recommendations for approval to the City Manager.

#### **G. Special Pay Adjustments**

The City Manager may authorize special pay adjustments on an individual basis in the interest of compensation equity, to recognize significant additional responsibilities that do not affect the classification of the employee's position, or based on accomplishments that impact the employee's performance and support a higher salary placement. Such adjustments are usually granted in the most compelling of circumstances. Special pay adjustments are normally limited to 5% but may be granted up to 10%. Recommendations for special pay adjustments should be submitted by the Department Head to the Director of Human Resource Management. The Director of Human Resource Management will conduct a full analysis and recommend appropriate action to the City Manager.

#### **H. Bonuses**

Bonuses may be awarded to employees for exceptionally meritorious service or a special act that is considerably above and beyond the normal scope of assigned duties and responsibilities. Regular full-time employees may be awarded a one-time bonus in any amount up to \$250.00. Recommendations for bonuses should be submitted by the Department Head to the Director of Human Resource Management. The Director of Human Resource Management will conduct a full analysis and recommend appropriate action to the City Manager.

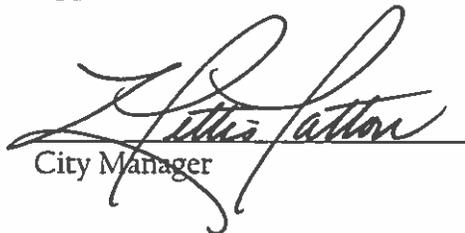
I. **Acting Status**

When an employee is assuming the full duties, responsibilities and accountabilities of the higher position, departments may submit a request to the Director of Human Resource Management for a temporary adjustment of up to 5%. When the employee is assuming significantly higher level job responsibilities, the department may request a temporary adjustment of up to 10%. The City Manager may authorize additional temporary adjustments for employees who are placed in Acting Status for a Department Head or similar level position. While serving in Acting Status, the employee will continue to accrue benefits and be eligible for salary increases on their base level position and salary.

J. **Temporary Salary Adjustments for Additional Duties**

If the employee is assuming significantly higher level of work but with less than the full duties, responsibilities and accountabilities of the higher level position, the employee is not formally placed in acting status but may be granted a temporary salary adjustment usually limited to no more than 5% upon approval by the Director of Human Resource Management and the City Manager.

Approved:



City Manager