

# LIVINGSTON COUNTY COMPENSATION/CLASSIFICATION GUIDELINES

RESOLUTION # 2017-02-028

APPROVED: 2/6/2017

## A. POLICY

### 1. PURPOSE:

To establish guidelines for the ongoing maintenance of the job classification and compensation program.

### 2. POLICY STATEMENT:

The intent of the compensation philosophy is to maintain a competitive compensation program in order to attract, retain, and motivate qualified employees. To that end, the following principles will govern our compensation guidelines.

Eleven counties are used for comparative purposes. Included in the comparable group are: Allegan County, Berrien County, Ingham County, Jackson County, Kalamazoo County, Monroe County, Muskegon County, Ottawa County, Saginaw County, St. Clair County and Washtenaw County.

From time to time, the Director of Human Resources and Labor Relations may recommend that other market comparables should be used (other county governments, or private sectors employers) where information from the primary labor market is considered insufficient to attract and retain specific positions or classes.

Livingston County does not want to lead nor does Livingston County want to be average. Generally, our competitive position is based on the median maximum (50<sup>th</sup> percentile) plus approximately six percent (6%) being made available through two Merit Steps, Merit I, Step 8 and Merit II, Step 9.

A point factor job evaluation is used to determine internal equity. A Job Analysis Questionnaire will be completed to collect data regarding various county jobs. The following factors along with their weights are used:

#### Factor

1. Education and Relevant Experience
2. Judgment and Independence of Action
3. Internal and External Relations
4. Supervisory or Managerial Responsibility
5. Job Complexity
6. Responsibility for the Welfare and Rights of Others
7. Technology Use
8. Impact on Programs, Services and Operations
9. Document Concentration
10. Work Environment

Once points have been identified for all factors, total points are computed. After point totals have been determined for all jobs, the jobs will be grouped together into pay grades. The assignment of jobs to various pay grades is directly linked to the job evaluation plan and based on the factor ratings.

The salary schedule has been built providing for an adjustment between steps in an amount that is the equivalent to 3.75% between the first and second steps and five to ten percent (5% -10%) between grades.

3. APPLICABILITY:

Applies to all non-union Livingston County employees.

4. DEFINITIONS:

Job Evaluation – The systematic determination of the relative worth of jobs within the organization.

Point Factor Method – Breaking down jobs into various factors and placing weights, or points on them. Once points have been identified for all factors, the total points are computed which determines grade placement.

Anniversary Date – An employee’s continuous service in his/her current position. Generally, the anniversary date is the same as the “date of hire.” However, a promotion normally changes one’s anniversary date. The anniversary date is the date used to determine when an employee becomes eligible for a step increase.

Reclassification – A change in the grade placement of a job as a result of a redefinition of the duties and/or qualification requirements of the position.

Red-Circled – Individual pay is above that of his/her salary range – that employee is considered to be “red circled.”

Promotion - An individual is transferred or reassigned to a job in a higher pay grade than his or her existing pay grade which will result in an increase in the rate of pay to the individual being promoted.

Demotion – An individual is transferred or reassigned to a job in a lower pay grade than his or her existing pay grade. Depending upon the circumstances, a demotion may result in a decrease in the rate of pay of the individual.

5. REFERENCE AND LEGAL AUTHORITY:

6. SEE ALSO:

Policy: Merit Steps  
Form: Job Analysis Questionnaire (JAQ)  
Form: Personnel Action Form (PAR)

7. SUPERSEDES: No. 105-033

8. APPROVED BY:

Full Board 8/31/2015

9. RESOLUTION: No. 2015-08-184

10. REVIEW HISTORY:

Res No 305-127 3/21/05

## 1. PROCEDURE

### **Responsibility for Administration**

The Director of Human Resources and Labor Relations is responsible for reviewing and providing recommendations with respect to job evaluation and pay grade assignments (e.g., new jobs, reclassifications, etc.) to the Personnel Committee (or other designated committee) of the Board of Commissioners. The Personnel Committee will have the final approval of all job evaluation and pay grade assignments. It is important that any recommendations concerning job evaluation be prepared by individuals with direct knowledge about (1) the specific content and requirements of the job(s) being evaluated, (2) the general content of other classifications within the County to permit a meaningful comparison, and (3) the impact job evaluation decisions may have on the internal equity of the established salary structure.

### **Adding New Jobs to the Compensation Structure**

If a department wants to create a new position, it must first seek and receive approval by the Board Committee the department is assigned to. If the Committee grants approval, the Director of Human Resources and Labor Relations will be responsible for determining if a new classification needs to be established for the new position. The entire process will proceed as follows:

- A. The responsible Department Head/Elected Official shall initiate the process by completing the necessary paperwork to create a new position and submitting it to the Department's assigned Board Committee.
- B. The Committee shall be responsible for evaluating the request for a new position and determining whether approval is to be granted. The decision shall then be communicated to the responsible Department Head/Elected Official.
- C. Upon approval of the position, the responsible immediate supervisor will be asked to further explain or document in writing the position's job duties and responsibilities and minimum qualification requirements through the completion of a Job Analysis Questionnaire. The questionnaire and other job related documentation should be forwarded to the Director of Human Resources and Labor Relations.
- D. The Director of Human Resources and Labor Relations shall be responsible for reviewing the position information and developing a job description. The Director of Human Resources and Labor Relations shall also be responsible for evaluating the new position and recommending grade placement within the compensation structure to the Personnel Committee. Comparable salary information should also be collected when possible to assist in the determination of the pay grade placement of the position. The Personnel Committee will then have the final approval of the pay grade assignment.
- E. The responsible Department Head/Elected Official will be notified of the results.
- F. The new position shall be posted utilizing the County's job posting process.

### **Reclassification Procedures**

A reclassification is a change in the grade placement as a result of a redefinition of the duties and/or qualification requirements of the position. If the duties/responsibilities and/or qualifications of an established position are permanently and significantly changed, the following action should be taken:

- A. The responsible Department Head/Elected Official shall initiate the process by submitting a request for a position reclassification to the Director of Human Resources and Labor Relations, documenting completely the reasons for the position reclassification request.
- B. The position incumbent and the incumbent's immediate supervisor may be asked to further explain or document in writing the position's job duties and responsibilities and minimum qualification requirements through the completion of a Job Analysis Questionnaire. The questionnaire and other job related documentation should be forwarded to the Director of Human Resources and Labor Relations.
- C. The Director of Human Resources and Labor Relations shall be responsible for evaluating the new position and recommending grade placement in the position within the compensation structure to the Personnel Committee. Comparable salary information should also be collected when possible to assist in the determination of the pay grade placement of the position. An upgraded job description will be prepared as warranted. The Personnel Committee will then have final approval of the pay grade placement of the position.
- D. The responsible Department Head/Elected Official will be notified of the results.
- E. Should an existing position be reclassified to a higher pay grade, the pay of the incumbent(s) whose current salary is less than the minimum of the new assigned salary range will be placed on the step closest to but not less than his/her current salary, which will result in at least a five percent (5%) pay increase.
- F. In instances when a job is reclassified to a lower pay grade because a re-evaluation indicated reduced duties, a pay reduction may or may not occur. The decision whether to reduce the pay of the incumbent(s) will be determined on a case-by-case basis by the Director of Human Resources and Labor Relations depending upon circumstances of the reclassification.

### **Determination of Starting Rates of Pay**

The determination of the appropriate starting pay for a new hire should be accomplished through the cooperative efforts of the Director of Human Resources and Labor Relations and the appropriate immediate supervisor. In general, starting rates should be at the minimum of the assigned salary range. Starting pay which is higher than the minimum of the assigned salary range may be acceptable for such reasons as education and/or work experience directly applicable to the job which exceeds the minimum employment requirements, a competitive market situation, a special and specific talent, and the like. The County Administrator and/or the Director of Human Resources and Labor Relations can approve a starting rate of pay up to the one year step. Granting a starting rate of pay above the one year step must be approved by the Personnel Committee.

Note: Care should be taken to avoid establishing the new employee's rate of pay in an amount that exceeds the salary of any existing staff member in the same job classification with comparable years of relevant work experience, education and training. Maintaining appropriate internal equity between a new employee and current job incumbents is critical to the integrity and functionality of the County's compensation system.

### **Movement within the Pay Structure**

- A. Annual Pay Increases/Step Increases

Employees will generally receive a one-step pay increase on their anniversary date after each year of employment. In no instance should an increase to an employee's pay rate be such that the new pay rate exceeds the maximum of their assigned pay range.

Additionally, employees may receive an economic adjustment to their rate of pay each year equal to any adjustment made to the pay structure. This adjustment is granted to every employee whose current rate of pay is at or below the salary range maximum of their assigned pay grade.

Step increases indicated on the Livingston County Salary progression plan are not automatic. Department heads wishing to recommend employees for step increases will submit a County Personnel Action Request (PAR) form to Human Resources. Department heads/elected officials not wishing to recommend personnel for step increases will notify the affected employee prior to the employee's anniversary date.

B. "Red Circled" Employees

If the pay of an individual employee is above that of their assigned salary range, that employee is considered to be "red-circled." Because the maximum of the salary range represents the upper end of the relevant range for a particular pay grade, no adjustments should be made to the base salary of a red-circled employee until such time as the employee's salary falls within the assigned salary range.

### Transfer or Reassignment of an Individual

A. Promotion

A promotion occurs when an individual is transferred or reassigned to a job in a higher pay grade than his or her existing pay grade. An increase in the rate of pay of the individual being promoted should be determined jointly by the respective immediate supervisor and the Director of Human Resources and Labor Relations and should take into consideration:

- The individual's qualifications to perform the new job and his or her relevant experience, and
- The rates of pay, qualifications, and experience levels of any other employees assigned to the same job classification, and
- The percentage differential between the existing and new pay grades.

The new rate of pay of the individual being promoted should be at least equal to the minimum of the new salary range and/or the closest step that would result in at least a five percent (5%) increase. **The County Administrator and/or the Director of Human Resources and Labor Relations can approve a starting rate of pay up to the one year step.** Special pay will be considered when setting the rate of pay for a promoted individual to the extent that the employee should not suffer a loss in pay by accepting the promotion if the special pay is to be discontinued. Promotional increases generally should be granted concurrently with the employee's assumption of his/her new job duties.

B. Demotion

A demotion occurs when an individual is transferred or reassigned to a job in a lower pay grade than his or her existing pay grade. A demotion can be initiated for a variety of reasons (e.g., poor performance, employee preference). Depending upon the circumstances, demotions and the impact on pay include:

WHO INITIATES	REASON	IMPACT ON PAY
Individual Employee	Voluntary	Adjusted to reflect: <ul style="list-style-type: none"> <li>• The individual qualifications to perform the new job and his or her relevant experience, and</li> <li>• The rates of pay, qualifications, and experience levels of any other employees assigned to the same job classification, and</li> <li>• The percentage differential between the existing and new pay grade. New rate must be at or below maximum of the new pay grade.</li> </ul>
Supervisor or Department Head	Performance Related	Adjusted to reflect: <ul style="list-style-type: none"> <li>• The individual's qualifications to perform the new job and his or her relevant experience, and</li> <li>• The rates of pay, qualifications, and experience levels of any other employees assigned to the same job classification, and</li> <li>• The percentage differential between the existing and new pay grades. The new rate must be at or below maximum of the new pay grade.</li> </ul>
Department Manager	Business-related <ul style="list-style-type: none"> <li>• Reduction in Force</li> <li>• Reorganization</li> <li>• Position Requirements Modified</li> </ul>	No adjustment to current rate of pay. If the current rate of pay exceeds the maximum of the new pay range, the individual will be considered "red-circled."

C. Lateral Transfer

A lateral transfer occurs when an individual is transferred or reassigned to a position in the same pay grade as his or her existing job. Generally, no adjustment in the rate of pay should occur.

**Annual Pay Structure Analysis**

In response to market trends, the salary structure should be reviewed and updated annually, as appropriate. Based upon a market analysis and financial considerations of the County, a percentage

factor should be determined and applied to the salary ranges to update the compensation structure. All ranges should be adjusted consistently by a percentage rate as opposed to a flat dollar amount to assure the integrity of the characteristics of the structure (e.g., range widths, pay grade differentials).

### **Guidelines for Appealing Compensation Classification**

If an individual or their supervisors feel that the placement of a job within the classification (grade) structure is incorrect, an appeal can be made to the Human Resources Department to reevaluate the position. Appeals require the following:

1. The employee and/or the supervisor shall review the existing JAQ and make any changes that are deemed appropriate. Supervisors will approve any changes.
2. The appeal will be forwarded to Human Resources with the revised JAQ, including a cover letter outlining the reason for the appeal and any additional documentation.
3. Human Resources will review the new JAQ and any supporting material.
4. Upon completion of the review, Human Resources will present a recommendation to the Personnel Committee.
5. The Personnel Committee may accept, refuse or modify the recommendation from Human Resources. This Committee's decision will be final.
6. Further appeals require a six-month waiting period and evidence of significant job function changes.