

# COUNTY OF AROOSTOOK

<b>Policy Title:</b>	<b>Salary Administration Policy</b>
<b>Applicable Law or Regulation:</b>	<b>Federal and State Wage and Hour Laws</b>
<b>Effective date:</b>	<b>January 1, 2018; updated April 17, 2019</b>
<b>Responsible Party:</b>	<b>County Administrator</b>
<b>Approved by Commissioners:</b>	<b>August 16, 2017; updated April 17, 2019</b>
<b>Last Updated:</b>	

## **Purpose/Scope:**

The purpose of this Policy is to outline the policies and procedures governing the administration of compensation for all County employees not covered by a collective bargaining agreement and those elected to office.

## **Statement of Compensation Objectives:**

It the County's objective to establish and maintain a compensation system that will:

- Attract, retain, and reward qualified personnel at all levels of responsibility;
- Reflect the relative difficulty and responsibility-level of positions;
- Be externally competitive, as well as internally consistent and fair;
- Foster good employee communication by providing individual employees with information on the pay structure and its administration;
- Motivate employees to work toward achievement of the County's goals;
- Control and predict salary expense;
- Be straightforward to administer; and
- Comply with applicable federal and state laws.

## **Policy:**

The following statements express the County's objectives and policies with respect to base pay of all employees. The County recognizes that not all these objectives may be completely achieved at all times for employees (due to budget constraints, etc.), but they are set forth herein to serve as guidelines against which proposed actions are to be evaluated.

- Establish grades and salary ranges that reflect the relative value to the County of the various positions.
- Ensure that, for comparable positions, pay rates and benefits are competitive with those offered by other employers providing similar employment;
- Adjust pay ranges when warranted by changing economic and competitive factors, as determined by an analysis of cost of living and/or periodic compensation surveys; and
- Ensure that compensation is not influenced by age, sex, creed, race, national origin, disability, or other protected characteristic.

## **Wage and Salary Surveys**

At the discretion of the Aroostook County Commissioners, the County will periodically compare salary rates to those of other Maine counties and municipalities that are similar in structure and size.

## **Fair Labor Standards Act (FLSA) Classifications**

Each position (and each employee performing that position) must be classified as "exempt" or "non-exempt," according to guidelines established under the provisions of the *Fair Labor Standards Act (FLSA)*. Those employees in positions classified as "exempt" are exempt from the overtime provisions of the Act. Those employees in positions classified as "non-exempt" are subject to the payment of overtime, according to wage and hour regulations.

## **Grade and Salary Range Structure**

In 2017, as a result of a comprehensive compensation and benefits survey, and with the assistance of an outside, independent human resources consultant, a new Grade and Salary Range structure was developed. This system is mathematically built, with 5% between each Non-Exempt grade, 10% between each Exempt grade, and 3% between each Step in both the Non-Exempt and Exempt grade structure.

Positions were "slotted" into the new Salary Structure using the market data from the survey.

## **Guidelines for Administering Pay within Established Pay Ranges:**

- **Minimum of the Range:** An employee performing the duties of a position, as described in his/her job description, shall be paid not less than Step 1 of the salary range applicable to that position.
- **Maximum of the Range:** An employee will not receive a base pay that exceeds the maximum of the salary range applicable to that position. Once an employee's salary reaches the maximum of the salary range at Step 13, s/he will not have the opportunity to receive an increase in base pay until: 1) the employee is promoted to a higher grade level where the base pay does not exceed the top of the salary range; or 2) the pay ranges are adjusted and the maximum of the range exceeds the base pay.
- **Special Bonus.** An employee with very good performance record who is ineligible for a pay increase solely because s/he has reached the top of the salary range for his/her position, may be rewarded with a bonus equal to or less than the dollar amount of the increase to which the employee would have otherwise been entitled. Assuming the salary increase would have been processed in January, this Special Bonus would be paid in the following manner - 50% in the last pay period of June, and 50% in the last pay period of December.

## **Hiring Guidelines**

- New employees will be hired into the salary range for the position, provided they meet the minimum qualifications for the job.

## **Value of Prior Experience**

1. Full years of prior identical work experience, as recommended by the Department Manager/Office Holder (as applicable) and determined by the County Administrator, dating back 13 years (corresponding to 13 Steps in each salary range) will be valued at 50% for exempt salary grades exempt A-D and all non-exempt grade levels & valued at 100% for exempt salary grades E-H. Prior related experience at Aroostook County, in the same time frame and in the same position classification, will be counted at 100%.
2. Experience will be calculated at the inception of the new Salary Structure (1/1/18) for all current employees. This calculation takes the prior related experience, calculated as described above, and is added to Step One to determine the proper Step. If there is a fraction related to the experience calculation, it is rounded up.

3. Prior related experience will be calculated in the same manner for new employees hired on or after January 1, 2018.

**Salary Increases**

The Aroostook County Commissioners will consider salary increases under the following guidelines:

1. **Salary Range Adjustments.** Salary ranges will be adjusted each year based on approved cost of living increases (see below).
2. **Cost of Living Increases.** Employees may be eligible to receive annual cost-of-living increases based on the CPI-W (Consumer Price Index for Urban Wage Earners & Clerical Workers), as determined by the twelve month period ending the last day of the month in the month ending six months prior to the end of the County’s fiscal year. Any increase must be approved by the County Commissioners and the Finance Committee, and if approved, will be applied to the Salary Structure. Approved COL increases will be effective the first day of the County’s next fiscal year.
3. **Step Increase.** The County Administrator may recommend to the Commissioners, in addition to or instead of a Cost of Living Increase, a Step Increase for employees who are assigned a pay grade and range, which means that each employee’s salary would be increased by approximately 3% (as long as the employee is not already at Step 13). Employees with dates of hire during the second half of any fiscal year are not eligible for a Step increase until the first day of the following fiscal year.

**Salary Increase at Time of Promotion**

When an employee is promoted to a position in a higher pay grade, the employee’s salary will be increased to the new grade according to the following chart:

Grade Change	Step in New Grade
Up One Grade between Grade 5 and Grade 11	Same Step in New Grade

If the promotion is more than 2 grades higher, the salary increase will be determined on a case by case basis. If the new Step would be below the minimum of the Salary Range, the salary will be at Step 1. In no event will the employee’s salary be increased to exceed the Maximum of the Salary Range.

Promotions are recommended by the Department Manager/Office Holder and must be approved by the County Administrator. Exceptions to this methodology for promotions would require the approval of the Commissioners.

**Salary Decrease at the Time of Demotion**

When an employee is voluntarily or involuntarily demoted, the employee's salary will be decreased to the new grade according to the following chart:

Grade Change	Step in New Grade
Down One Grade between Grade 5 and Grade 11	Same Step in New Lower Grade

If the demotion is more than 2 grades lower, the salary increase will be determined on a case by case basis.

**Salary Adjustments Due to Position Reclassification**

When a current position is reclassified to a different grade by the County Administrator, the following guidelines will be followed and the County Administrator will make the final decision:

- If a position is reclassified to a higher grade, incumbents will be moved to the new grade and receive an increase in pay to the same step in the higher grade. The effective date will be the beginning of the pay period following the effective date of the reclassification, or the first day of the following fiscal year when reclassifications are the result of a market study.
- If a position is reclassified to a lower grade, incumbents will be grandfathered in the current grade, and there will be no change in pay as a result of the reclassification. Any new employees hired into the position will be placed in the new, lower grade.

**Questions:**

Questions about this Policy should be directed to the County's Human Resources Director or the County Administrator.