

Compensation Administration Guidelines For Grimes County

Base pay is the pay an employee receives on a regular basis. Adjustments to this compensation can be applied based on merit or other employment action reasons such as a promotion or transfer. The details of such actions are described below.

Hiring Rates

The initial compensation for an employee should be based:

- Upon the qualifications the new hire brings to the organization
- Candidates with little to no job-related experience are typically paid lower than current employees performing well
- New employees must start at no less than the minimum of the pay range for the position into which they have been hired and shall not exceed budgetary guidelines set forth by Commissioner's Court.
- Hiring rates should be adequate with the employee's qualifications and related experience
 - additional applicable education over and above the education requirement specified in the job description
 - additional years of applicable experience (1 for each year of demonstrated valuable experience up to 10 years)
 - certificate(s) that are applicable and valuable to the job and above those required of the position
- The pay rate chosen should be comparable to similarly situated employees in the same career level and be reasonable compared to the supervisor's pay
 - review rates paid to other employees similarly situated within the organization – what is the average comparison ratio for others in the same position or in the same pay grade?
 - how does the candidate's recommended pay compare with that of his or her supervisor and, where appropriate, direct reports?

Collaboration with Human Resources **is required** when establishing hiring pay. HR will use a compensation decision matrix to evaluate the candidates' qualifications, the internal pay equity and make a pay recommendation.

Employees rehired into the organization shall have their pay rate determined by the factors described above regardless of their previous pay with the organization.

Pay rates above the pay range midpoint require Human Resources to bring before Commissioners' Court for approval and must meet budgetary guidelines.

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Temporary Assignment Pay

Occasionally, it is necessary for an employee to be temporarily assigned to perform the duties of a position with a higher pay range (in addition to the employee’s current duties). During temporary assignments lasting at least 30 days, the County will compensate the employee by paying a stipend of an additional 5% of the employee’s existing bi-weekly pay unless the temporary assignment requires supervisory responsibilities, in which case, the amount of any stipend will be set by the Commissioners Court. In no event shall the employee’s combined pay (existing pay plus stipend) exceed the minimum of the pay range for the position to which the employee is temporarily assigned. All temporary assignment pay must meet budgetary guidelines. See example below:

\$60,000.00 is 10/2023 current annual pay		COST TO COUNTY BASED ON -->		# OF WEEKS	12
\$2,307.69 is 10/2023 biweekly pay					
\$2,423.08	5%	I N A C M R O E U A N S T E	\$115.38	BIWEEKLY	\$1,384.62
\$2,446.15	6%		\$138.46	BIWEEKLY	\$1,661.54
\$2,469.23	7%		\$161.54	BIWEEKLY	\$1,938.46
\$2,492.31	8%		\$184.62	BIWEEKLY	\$2,215.38
\$2,515.38	9%		\$207.69	BIWEEKLY	\$2,492.31
\$2,538.46	10%		\$230.77	BIWEEKLY	\$2,769.23

Promotion

A promotion is defined as a regular employee moving to a position of greater responsibility or scope that is more complex, may require a higher level of education, experience and/or skill, and is in a different pay range. There are two types of promotional pay increases:

- **In-job-function promotion** – where an employee is still doing much of the same work as before, with additional similar, yet more complex tasks. The additional type of work is within the same job function, for example a mechanic technician taking on more complex mechanic work or a project administrator taking on larger projects.
- **Traditional promotion** – where an employee takes on a significantly different type of work and at a higher level. Usual examples include taking on supervisory responsibility or adding another type of work. Examples include going from a code enforcement officer to a code enforcement supervisor or adding benefits analysis and administration to a compensation analyst/manager position.

The in-job-function promotions typically involve the movement of the employee from one job grade to the next higher job grade and average increases are 5% – 7% of base pay. The traditional promotion

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usually involves movement from one role to another and/or an increase in more than one pay grade. The average pay increases are 7% - 12% of base pay.

When considering the exact promotional increase amount, use these factors:

- Pay range for a new position – how much higher is it than the current pay range?
- Rates paid to other employees similarly situated within the organization – what is the average comparison ratio for others in the same new position or in the same new pay grade?
- Last time the person received an increase – where are they in the merit cycle?
- How does the employee's recommended salary compare with that of his or her supervisor and, where appropriate, direct reports?

Promotional pay increases should be at least to the minimum of the pay range of the new position. The effective date of a promotion should coincide with employee's taking on increased responsibilities. Employees who are experiencing performance and/or conduct problems are ineligible for promotion until the problem is resolved.

Promotional pay increases that place the employee's pay above the new pay range midpoint, or promotional increases over 15%, require Commissioners' Court approval, and must meet budgetary guidelines.

Demotion

A demotion is a change in assignment, often to a lower-level position that is less complex and may require a lower level of education, experience and/or skill. Generally, an employee's pay will be adjusted downward to reflect the revised duties. Performance-based demotions may result in the employee having pay reduced to an appropriate amount, but not higher than the maximum of the pay range of the lower-level job.

Pay decreases over 10% require Commissioners' Court approval.

Transfer/Lateral Move

A transfer or lateral move is defined as a regular employee moving from one position to another that is not classified as a promotion because the job is similarly complex and in the same pay range. Transferring to another position is an opportunity for an employee to expand his/her depth of knowledge and increase career development opportunities. (Equity was a onetime adjustment)

For reasons due to Transfer/Lateral Move, when it is determined that the position the employee is transferring to requires new and/or additional skills and is more complex than the position the employee is transferring from, an increase may be appropriate. The hiring manager should be able to describe those new skills and/or how the job differs in complexity.

- Describe how the complexity of the new position is more significant than the employee's previous position.

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- How will the employee be expected to negotiate, set his/her own standards and goals, and/or manage or coach (either formally or informally) at a greater level than in his/her previous position?
- Explain what type of decision making will be required in the new job and whether the consequences will be greater.
- How will the new position require higher levels of independent action and autonomy?

An equity adjustment may be considered with Human Resources, requires Commissioners' Court approval and must meet budgetary guidelines.

Equity Adjustment

A pay adjustment given to an employee to ensure that the employee's pay appropriately reflects his/her skills, competency, job knowledge, education, experience, and sustained contribution relative to similar positions within the same classification. A pay adjustment may also be granted to maintain an appropriate relationship to the supervisor's pay, or as a result of changes in the labor market.

Equity adjustments due to changes in the labor market are pay adjustments for an employee or group of employees that have fallen behind in base salary as compared to similar positions in the market. Consideration is given to a more appropriate relationship between the salaries of existing employees and the relevant market value of the job. Any adjustment that is given to bring employees in line with the external market is subject to internal equity. Adjustments will not be made if differences are explainable based on qualifications, type or length of experience (both internal and external), the work itself, and/or performance and productivity.

Merit (Pay for Performance)

At times, the Commissioner's Court may approve a budget for merit-based pay adjustments to recognize employee's continuous hard work and dedication toward meeting the County's goals and objectives. Typically, this would be in lieu of a cost-of-living adjustment, but maybe in addition to one, at the discretion of the Commissioner's Court.

A performance review does not always result in a pay increase. These types of pay increases are based on individual employee performance and are not guaranteed.

Department Restructure

County positions are designated in individual grade levels and compensated based on similar duties, levels of skill and responsibilities outlined in job descriptions described in the Grimes County Salary Structure and Grade Definitions.

Elected officials and department heads are responsible for ensuring that the job descriptions assigned to positions correctly reflects the duties and responsibilities being performed in each position.

Any elected official or department head subordinated to the Commissioner's Court may request a change to a job description, grade level or salary. The elected official or department head's request will

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be submitted to the Human Resource Department no later than March 31st of the current fiscal. Human Resource Department will review and place on a Commissioners' Court agenda for consideration in May.

At any time, the commissioner's Court may review or adjust any job description, grade or salary scale according to the needs of Grimes County.

Maintaining the New Pay Plan

The organization may decide if it is necessary to conduct a benchmark salary survey **every three (3) years** to determine if changes to the pay structure or changes to a particular pay range are needed. This benchmark survey would reflect changes in the cost of labor in the local market and ensure that the organization is paying employees a competitive wage for the particular jobs they perform, and the specific skill/capability sets that they offer to the organization.

In intervening years, the organization may choose to advance the pay ranges and / or employee pay by a set percentage (such as 3%) to reflect both general changes in the cost of labor and the cost of living.

Cost of living reflects the cost of goods utilized by a typical consumer, including items such as housing, groceries and transportation, which is why each person would get the same percentage increase. It is recommended that the organization look **at three (3) data points**, averaging them together:

- Consumer Price Index (CPI) in your area to measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services
- Cost of Labor changes in **your** sector using the Employment Cost Index (ECI)
- WorldatWork Annual Salary Budget Survey for the projected years' average percentage

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Pay Approvals Chart

Pay Action	Human Resource/ Elected Official / Department Head Input/Approval	Commissioners Court
Hiring Rate	Yes Less than or equal to midpoint	Yes If above midpoint
Temporary Assignment Pay	Yes Less than or equal to 5%	Yes If above 5%
Promotion	Yes Up to midpoint or less than 15%	Yes If above midpoint or over 15% increase
Demotion	Yes Less than or equal to 10%	Yes If over a 10% decrease
Transfer / Lateral Move	Yes	No
Equity Adjustment	Yes Input Only	Yes
Merit Increase	Yes Input Only	Yes

*All pay actions must meet budgetary requirements.