



## ARTICLE III PAY PLAN POLICY

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### I. POLICY:

The pay plan includes the basic salary schedule and the “Assignment of Classes to Grades” adopted by the Town Council. The salary schedule consists of a minimum rate, midpoint, and maximum rate of pay for all classes of positions.

### II. PURPOSE:

The pay plan is intended to provide equitable compensation for all positions, reflecting differences in the duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the Town, and other factors. To this end, each budget year the Human Resources Director shall make comparative studies of all factors affecting the level of salary ranges including the consumer price index, anticipated changes in surrounding employer plans, and other relevant factors, and will recommend to the Town Manager such changes in salary ranges that appear to be pertinent. Such changes shall be made in the salary ranges such that the minimum, midpoint, and maximum rates change according to the market and subject to approval by the Town Council

### III. PROVISIONS:

#### Administration and Maintenance

The Town Manager, assisted by the Human Resources Director, shall be responsible for the administration and maintenance of the pay plan. All employees covered by the pay plan shall be paid at a rate listed within the salary range established for the respective position classification, except for employees in trainee status or employees whose existing salaries are above the established maximum rate following transition to the new pay plan.

Periodically, the Town Manager shall recommend that individual salary ranges be studied and adjusted as necessary to maintain market competitiveness. Such adjustments will be made by increasing or decreasing the assigned salary grade for the class and adjusting the rate of pay for employees in the class when the action is approved by the Town Council.

All Town positions, benefits, and funding for salary advancement are subject to budget review and approval each year by the Town Council.

### Merit Principle

All appointments and promotions shall be made solely on the basis of merit. All positions requiring the performance of the same duties and fulfillment of the same responsibilities shall be assigned to the same class and the same salary range. No applicant for employment or employee shall be deprived of employment opportunities or otherwise adversely affected as an employee because of such individual's race, color, religion, sex, national origin, marital status, veteran status, political affiliation, non-disqualifying disability, age, or genetic information.

### Starting Salaries

All persons employed in positions approved in the position classification plan shall be employed at the minimum salary rate for the classification in which they are employed; however, exceptionally well qualified applicants may be employed above the minimum rate of the established salary range upon recommendation of the Department Head and Human Resources Director and approval of the Town Manager.

### Trainee Designation and Provisions

Applicants being considered for employment, or Town employees who do not meet all of the requirements for the position for which they are being considered, may be hired, promoted, demoted, or transferred by the Town Manager to a "trainee" status. In such cases, a plan for training, including a time schedule, must be prepared by the Department Head.

"Trainee" salaries shall be no more than two salary grades below the minimum salary rate established for the position for which the person is being trained. A new employee designated as "trainee" shall be regarded as being in a probationary period. However, probationary periods shall be no less than six months and trainee periods may extend up to 18 months. A trainee shall remain a probationary employee until the trainee period is satisfactorily completed.

If the training is not successfully completed to the satisfaction of the Town Manager, the trainee shall be transferred, demoted, or dismissed. If the training is successfully completed, the employee shall be paid at least at the minimum rate established for the position for which the employee was trained.

### Probationary Pay Increases

Subject to the availability of funds, employees hired at the minimum rate may receive a probationary increase upon successful completion of the probationary period or upon six months of satisfactory service if the employee is not on probation.

Employees serving a twelve-month probationary period will be considered for this increase after six months of employment; employees with a twelve month probationary period who receive an increase at the six month review will not be eligible for an increase at the end of

the twelve month probationary period. Employees hired or promoted at or above 5% of the minimum of the salary range are not eligible for a probationary increase.

### **Performance Pay**

Upward movement within the established salary range for an employee is not automatic, but rather based upon specific performance-related criteria. Procedures for determining performance levels and performance pay increases or other performance-related movement within the range shall be established in procedures approved by the Town Manager.

### **Performance Pay Bonus**

Employees who are at the maximum amount of the salary range for their position classification are eligible to be considered for a performance pay bonus at their regular performance evaluation time. Performance pay bonuses shall be awarded based upon the performance of the employee as described in the performance evaluation and in the same amounts as employees who are within the salary range. Performance pay bonuses shall be awarded in lump sum payments and do not become part of base pay.

## **IV. Salary Effect of Promotions, Demotions, Transfers, and Reclassifications**

### **Promotions**

The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary shall normally be advanced to the hiring rate of the new position, or to a salary which provides an increase of at least 5% over the employee's salary before the promotion, whichever is greater. In the event of highly skilled and qualified employees, shortage of qualified applicants, or other reasons related to the merit principle of employment, the Town Manager may set the salary at an appropriate rate in the range of the position to which the employee is promoted that best reflects the employee's qualifications for the job and relative worth to the Town, taking into account the range of the position and relative qualifications of other employees in the same classification. In no event, however, shall the new salary exceed the maximum rate of the new salary range. In setting the promotion salary, the Town Manager shall consider internal comparisons with other employees in the same or similar jobs.

### **Demotions**

Demotion is the movement of an employee from one position to a position in a class assigned to a lower salary range. When an employee is demoted to a position for which qualified, the salary shall be set at the rate in the lower pay range which provides a salary commensurate with the employee's qualifications to perform the job and consistent with the placement of other employees within the same classification in that salary range. If the current salary is within the new range, the employee's salary may be retained at the previous rate if appropriate. If the demotion is the result of discipline, the salary shall be

decreased at least 5%. Salaries of demoted employees may not be greater than the maximum of the new range.

### Transfers

The salary of an employee reassigned to a position in the same class or to a position in a different class within the same salary range shall not be changed by the reassignment.

### Reclassifications

An employee whose position is reclassified to a class having a higher salary range, shall receive a pay increase of 5% or an increase to the hiring rate of the new pay range, whichever is higher.

If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

## **V. Salary Effect of Salary Range Revisions**

When an individual class of positions is assigned to a higher salary range, employees in that class shall normally receive a pay increase of 5%, or to the minimum rate of the new range, whichever is higher. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If this assignment to a lower salary range results in an employee being paid at a rate above the maximum rate established for the class, the salary of that employee shall be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

## **VI. Transition to a New Salary Plan**

The following principles shall govern the transition to a new salary plan:

- 1) No employee shall receive a salary reduction as a result of the transition to a new salary plan.
- 2) All employees being paid at a rate lower than the hiring rate established for their respective classes shall have their salaries raised at least to the new hiring rate for their classes.
- 3) All employees being paid at a rate below the maximum rate established for their respective classes shall be paid at a rate within the salary schedule.
- 4) All employees being paid at a rate above the maximum rate established for their respective classes shall have their salaries maintained at that salary level with no increases until such time as the employee's salary range is increased above the employee's current salary.

## **VII. Effective Date of Salary Changes**

Salary changes approved after the first working day of a pay period shall become effective at the beginning of the next pay period, or at such specific date as may be provided by procedures approved by the Town Manager.

## **VIII. Payroll Deductions**

Deductions shall be made from each employee's salary as required by law. Additional deductions may be made for insurance or for other reasons as authorized by the Town Manager, considering the capability of the payroll system, associated increase in workload, and appropriateness of the deduction.

## **IX. Hourly Rate of Pay**

Employees working in a part-time or temporary capacity with the same duties as full-time employees will normally work at a rate in the same salary range as the full-time employees.

The hourly rate for employees working other than 40 hours per week, such as police officers and firefighters working more than a 40 hour work week will be determined by dividing the average number of hours scheduled per year into the annual salary for the position.

## **X. Pay for Interim Assignments in a Higher-Level Classification**

An employee who is formally designated, for a period of at least one month, by the Town Manager to perform the duties of a job that is assigned to a higher salary grade than that of the employee's regular classification shall normally receive an increase for the duration of the interim assignment. The employee shall receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater. Criteria involved in determining the amount of the compensation will include:

- 1) The difference between the existing job and that being filled on a temporary basis, and
- 2) The degree to which the employee is expected to fulfill all the duties of the temporary assignment.

The salary increase shall be temporary and upon completion of the assignment, the employee shall go back to the salary he or she would have had if not assigned in the interim role, taking into account any increase the employee would have received if not placed in the interim role.

## **XI. Certification Increases**

The Town Manager will create a schedule of salary increases to reward employees for attaining and maintaining certifications that increase the employee's value to the Town. This may be in the form of a percentage increase or a one-time payment, depending on the departmental budget. However, it is not guaranteed.

Policy adopted by Selma Town Council

Effective Date: November 14, 2000

Amended August 11, 2015

Amended July 10, 2018

*As of August 10, 2021, this policy replaces and supersedes any previous policies, or unwritten policies or practices covering the same subject.*