STATE OF COLORADO

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
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Policy Title: Compensation Policy
Effective Date: 01 April 2020
Summary: Provides Policy on Compensation of State Employees
Applicability: All State Employees of DMVA
Staff Proponent: Human Resources
Supersedes: 01 December 2018

A. Purpose: To provide policy for salary setting when hiring, promoting, transferring, reappointing, reinstating, and demotions of State employees of DMVA.

B. Background: The State of Colorado Department of Personnel publishes an annual compensation plan for the state personnel system. Every employee shall be compensated within the pay grade assigned to a class. The Department of Military & Veterans Affairs’ intent is to promote the use of a uniform, equitable, and fair method of compensating employees, despite the funding source, and which no employee’s base pay will be less than the minimum of a grade or exceed a statutory lid.

C. Definitions: Compensation defines the salary under which new hires, transfers, downgrades, and demotions will be determined for Military and Veterans Affairs employees.

D. Policy: The following are the parameters governing salary placement:

New/Initial Hire Salaries
No employee shall be paid below the minimum of the pay grade. A new employee initially appointed into the state personnel system will be placed at the minimum of the pay grade. Exceptions to this policy may be made in those job classes where documented recruitment/retention difficulties, or other unusual conditions exist such as counteroffers, or unique skill set. Amount of experience a candidate has is not an argument for exception. The
DMVA Human Resources Director will submit exception recommendations and justifications as needed for the Deputy Director, and his administration team’s approval. These exceptions must not affect current employees in the same classification and who are operating at similar pay levels, cannot bump against supervisor’s pay, and must not exceed the range maximum. Classifications approved for an exception are:

- Transportation Maintenance I and II, hire at 10% above the minimum due to documented recruitment and retention difficulties.
- Pipe Mechanical Trades classification, hire at 10% above the minimum due to documented recruitment and retention difficulties.
- Electrical Trades classification, hire at 5% above the minimum due to documented recruitment and retention difficulties.
- Air National Guard Patrol Officer classification, hire at 10% above the minimum due to documented recruitment and retention difficulties.
- Veterans Affairs division, Social Services Specialist III classification, hire at 10% above the minimum due to documented recruitment and retention difficulties.
- Positions located in Gypsum/Eagle County hire at 20% above the minimum and Gypsum/Eagle County Pipe/Mechanic Trades classification hire at 30% above the minimum due to documented recruitment and retention difficulties as a result of higher costs of living and competitive wages in that area of the State.
- DMVA Administration positions to include Budget Officer, Deputy Director, Controller, Strategic Planner, Legislative Liaison, Resource Director, Human Resource Director, Purchasing and Contracting Director, and Veterans Affairs Director(s) will be authorized to hire at classification mid-range (Quartile 3) to remain competitive within the labor force when recruiting for high-level administrative positions that have significant impact on the organization. Delayed promotional increases dependent upon performance is allowed.

On-going approval of these exceptions will be discussed and continued/discontinued on an as-needed basis.

**Transfers/Reappointments/Reinstatements**

When an employee is appointed as a lateral transfer, from a reemployment list, or returns to state classified service (reinstatement) in the same classification held previously, the base pay shall be the same as it was at the time of transfer, layoff, or departure from State government employment, including saved pay, not to exceed the range maximum, within the same classification appointed into. Base pay cannot be set below the minimum or above the maximum of the pay grade. Lateral transfers (or those whose pay range maximum is the same as the position they are vacating) will retain their existing salary, even when the position is of a different nature than their former position. If an employee is reinstating into a classification they once had been certified, and the reinstatement is also a lateral transfer (meaning the maximum of the range is the same), the employee’s pay may move to the level they held at the time they departed the classification if it is higher than their salary at the former position.
Promotions/Upgrades
When an employee is promoted from either within the Department of Military and Veterans Affairs or from another State agency, or when an individual position has been reallocated upward, base pay shall be set at 10% above the employee’s prior rate of pay, not to exceed the range maximum and not to be less than the pay range minimum. If current base pay is at or above range maximum in the new grade, the employee’s pay will be set to the pay range maximum in the new grade, even though the increase may be lower than the 10% promotional rate.

Downgrades
When downward classifications or paygrades occur due to system maintenance studies, individual allocation, and/or annual compensation adjustments occur, employees will be placed in a saved pay status for a period not to exceed three years. Upon completion of saved pay status, employee(s) will move to the highest level of pay in the new class, not to exceed their salary in the saved pay status.

Disciplinary Demotions
In the event of a disciplinary demotion, the Department of Military and Veterans Affairs will reduce employee’s current rate by 10%, not exceeding the maximum of the pay range of the demoted job class (which may result in a greater than 10% reduction), for a minimum of six months and a maximum of twelve months when the action is temporary, however, cannot be reduced below minimum wage standards. If the action is a permanent disciplinary demotion, the employee’s salary will be reduced 10% permanently as long as it falls within the pay range of the demoted class.

Voluntary Demotions
In the event an existing State employee desires to accept a voluntary demotion to another position due to location changes, less responsibility, etc., the voluntary demotion must result in a 10% reduction in pay as long as it falls within the range of the class into which employee demotes. All voluntary demotions may not exceed the maximum of the pay range of the demoted job class.

Official:

Major General Michael A. Loh
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Executive Director

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