



## Department of Military & Veterans Affairs

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### Policy Statement

<b>Policy Title:</b>	<b>Pay Differentials: Compression, Counter Offer, Delayed Promotion</b>
Source:	Human Resources
Effective Date:	August 25, 2008
Approved By:	William Robinson, Deputy Director
Replaces:	January 1, 2008
Applies to:	All State Personnel and Supervisors of State Personnel

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#### **A. Introduction**

To provide a retention method by which the Department of Military & Veterans Affairs may extend a counter-offer to employees who elect to resign for a comparable position at another organization; to provide adjustments to existing employee pay to ensure comparable salary with newly hired individuals within the same job classification; and provide a delayed promotion option to attract and retain employees for key positions within the organization.

#### **B. Definition**

Compression Adjustment is where the base pay of current, longer-term employees is moved up in the pay grade, including up to the rate or percentage of increase over the minimum applied to a new employee starting salary who is within the same job classification; or where documented recruitment *and* turnover conditions exist for a classification as identified by DMVA's HR office. Counter Offer Adjustment is a pay differential for movements within the same classification up to and including the range maximum for a counter offer of a verifiable, bona fide internal or external job offer which is consistent with employee's existing assignment. Delayed Promotion Adjustment is limited to key positions in the organization that serve in a leadership capacity and provide a critical skill set to the functioning of the organizational unit such as the Controller, the Budget Director, the Veterans Affairs Director, the Deputy Director, etc. which allows for increases to base pay when funds are available or the employee's production expectations are proven.

#### **C. Policy**

DMVA may offer a Counter Offer/Compression Adjustment for those job classes where there are recruitment difficulties or where other unusual conditions exist, and may not exceed one Counter Offer/Compression Adjustment per employee. Delayed Promotional Adjustments must be offered at the time of hire or promotion, must conclude within one year of employment date, and employee must have a satisfactory performance rating on most recent evaluation (if a current State employee). The amount of adjustment under this policy is limited to 10% or in the case of a Counter Offer, the amount of the offer letter. All adjustments may not exceed the pay range maximum.

#### **D. Procedures**

- Determine if position qualifies for a Counter Offer, Compression Adjustment, or Delayed Promotion as identified by the provisions contained within this policy.
- For any adjustment, supervisors must prepare a memorandum to your Division Head with justification, potential impacts on current departmental employees, and explanation of where and how this differential will be funded. In addition, the following provisions must also be included:
  - For Compression Adjustment, the memorandum to your Division Head must include market conditions, recruiting efforts, retention or turnover rates and the causes, and other non-salary options explored but not feasible (i.e. flex schedules, telecommuting, etc.) for employees within the same classification.
  - For Delayed Promotional Adjustment, the memorandum to your Division Head must include the percent of increase recommending, intervals, and performance expectations that must occur during each interval.
  - For Counter Offers, the signed, bona fide offer with corresponding job announcement/job description must be attached.
- Complete the Pay Differential Individual Agreement, attaching the memorandum and supporting documentation (for Counter Offers), and refraining from communicating or acquiring the employee's signature until all approval signatures have been received. Signatures may be acquired by hand-walking the request or awaiting notification of approval/denial by Human Resources.
- Submit all documentation to the Human Resource Director for presentation to the Appointing Authority (Deputy Director and TAG).
- Upon notification of approval by the Appointing Authority from HR, arrange a meeting with the employee to discuss and obtain the employee's signature on the Individual Agreement. Return all original signed documents to Human Resources for processing.
- If the request is denied, there are no options for grievance or appeal.
- Human Resources will file the original agreement in employee's personnel file and the supervisor will receive a copy of the Personnel Requisition verifying the action.



## Department of Military & Veterans Affairs Pay Differential Individual Agreement

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The Department of Military & Veterans Affairs agrees to increase the base pay of the employee listed below for either a Counter Offer, a Compression Adjustment, or for a Delayed Promotional Increase as described within DMVA's policies. This adjustment shall be made to the employee's base pay, not to exceed the range maximum and/or 10%. Regular personnel rules and procedures apply. The employee understands that this adjustment will be paid through regular payroll, is included in salary calculations for retirement (PERA) and overtime purposes, if non-exempt, and is subject to fund availability. No aspect of this award is grievable or appealable, except for discrimination. If base pay is reduced in the future, any appeal rights will be in accordance with personnel rules and procedures that apply to the action that is reducing pay. A transfer, promotion, or demotion will negate any delayed increase(s).

Employee Name: \_\_\_\_\_

Employee Position Title: \_\_\_\_\_ Position Number: \_\_\_\_\_

Department: \_\_\_\_\_

Pay Differential is due to (check one):

- (1) Counter Offer: \_\_\_\_\_ (Attach job offer and job announcement/job description.)
- (2) Compression Adjustment: \_\_\_\_\_ (Attach justification, impacts, funding ability, HR assessment.)
- (3) Delayed Promotion Increase: \_\_\_\_\_ (Attach impacts, funding ability, intervals, performance info.)

The Pay Differential will consist of the following:

- (1) \_\_\_\_\_% or \$ base building (permanent) increase requested.
- (2) The Pay Differential will take effect on: \_\_\_\_\_  
If Delayed Promotional Increase, list intervals and amounts: \_\_\_\_\_  
\_\_\_\_\_
- (3) The Pay Differential will be paid out of account: \_\_\_\_\_

The terms and conditions have been discussed with the employee. The employee understands and agrees to these terms and conditions.

Supervisor Signature	Date	Controller's Signature	Date
Division Administrator Signature	Date	Appointing Authority Signature	Date
Budget Administrator Signature	Date	Employee Signature (To be signed only after all signatures are received.)	Date