

Number 12.0 - COMPENSATION FOR CLASSIFIED EMPLOYEES

Effective Date: March 1, 1996

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Applicable To: All classified and temporary employees with the Executive Branch of the State of Vermont.

Issued By: Department of Personnel

Approved By: Kathleen C. Hoyt, Secretary of Administration

PURPOSE AND POLICY STATEMENT

The State maintains a single compensation plan (the classified pay plan). This salary plan covers all classified employees as required by 3 VSA §310. The plan is based on principles of internal alignment for uniformity and equity. Compensation for employees covered by this plan is in accordance with provisions adopted by the Secretary of Administration through the Commissioner of Personnel, subject to the collective bargaining rights provided in 3 VSA §904, and approval by the General Assembly.

Salary ranges with minimum and maximum salaries are established and classes are assigned to salary ranges based upon the job evaluation system adopted for implementation of the State classification plan (See Number 6.1, Position Evaluation System).

DEFINITIONS

BASIC WEEKLY SALARY - the minimum compensation to which an employee is entitled under the State's classified plan.

CLASSIFIED EMPLOYEE - an employee of the State of Vermont who is hired to fill a position in the classified service.

EXEMPTED SERVICE EMPLOYEE - an employee hired to fill a position excluded from the classified service by statutory authority.

PAY GRADE - one of the established ranges within the total classified plan for which minimum and maximum rates are established. Each class is assigned to a pay grade.

ANNUAL SALARY - the amount of compensation obtained by multiplying the basic weekly salary by fifty-two (52).

GENERAL GUIDELINES

Specific features of the classified pay plan include:

- Step advancement within salary range based on longevity and satisfactory performance. Employees may have their hourly rate increased after a specific length of time at the current rate by advancing a step. (See Number 12.1, Step Advancement).
- Merit increases may be granted for exceptional performance (See Number 7.1, Merit Awards).
- Market rate differentials granted to specific groups of positions (see Number 12.3, Market Factor Adjustment).
- Hiring above the minimum of the salary range in appropriate instances. (See Number 12.2, Hire-Into-Range)
- End of Probation increases for employees who have completed their original probationary period within the classified service.

In addition, movement within the classified pay plan is possible when employees accept promotions (an appointment to a job in a higher pay grade), demotions (a voluntary or involuntary appointment to a lower pay grade), or changes in the pay grade assignment through reallocations or reassignment actions (See Number 6.2, Classification Review).

The provisions of the classified pay plan are applied in the same manner to all employees covered by the classified pay plan. These provisions govern changes to an employee's pay based on hires, promotions, merit increases, step increases, demotions, reclassification actions, and probationary increases

Provisions of the Rules & Regulations for Personnel Administration (See Number 2.3) governing the pay of classified employees and the Salaries and Wages Article of the current Agreements between the State of Vermont and the Vermont State Employees' Association, Inc. (VSEA) must be followed. A complete salary grid detailing the hourly rates of pay within each of the twenty-eight (28) pay grades, may be found in the Appendix section of the current labor agreement.

Section 12.00 - Periodic Salary Adjustment

Cost of living adjustments to the classified pay plan are negotiated through the collective bargaining process. When these salary adjustments are approved, the plan is adjusted accordingly.

Section 12.01 - Salary on Promotion, Demotion, Reclassification

Employees who have completed an original probationary period in the classified service receive a salary rate at least equivalent to the End-of-Probation Rate (EOP) established for that pay grade (usually the end-of-probation rate is step 2 of the pay grade).

Employees must successfully complete any required original or promotional probationary period (usually six months) in order to achieve tenured status at that salary level.

Promotions: When employees are appointed to a job at a higher pay grade the hourly rate is increased, based on the promotional rate of increase in the current collective bargaining agreement. The current rate is 5% for positions one (1) or two (2) pay grades higher, and 8% for positions three (3) or more pay grades higher.

An employee's pay is increased by the applicable percentage and then placed on the hourly step rate of the new pay grade which is closest to, but not lower than the new pay amount. The new rate may not be less than the EOP rate established for the new pay grade, nor higher than the maximum.

If an employee is promoted while in an original probationary period, the employee is placed at the minimum (step 1) of the new pay grade and begins a new probationary period. However, probationary employees initially hired into range are placed at the minimum of the new pay grade, unless the appointing authority requests a new hire-into-range rate for advance approval by the Department of Personnel.

Demotions: When an employee is appointed to a job at a lower pay grade the hourly rate is decreased by the demotion rate outlined in the current collective bargaining agreement. That rate is currently at least 1.5% and no more than 5% of the employee's salary. For disciplinary demotions under 6.072 of the Rules and Regulations for Personnel Administration, the hourly rate is an amount not less than 5% of the employee's salary (See Number 2.3, Rules and Regulations).

An employee's pay is decreased by 1.5% or 5% and then placed on the hourly rate (step) in the new pay grade which is closest to, but not higher than the computed amount. It may not be higher than the maximum of the new pay grade, or lower than the EOP rate.

If a demotion occurs when an employee is in an original probationary period, the employee is placed at the minimum (step 1) of the new pay grade and begins a new probationary period. However, probationary employees initially hired-into-range are placed at the minimum of the new pay grade unless the appointing authority requests a new hire-into-range rate for advance approval by the Department of Personnel.

Promotional Probationary Periods for Salary Computation: Employees may not receive more than one promotional increase within the same six (6) month period. For this reason, an employee is required to serve a new "promotional probationary period" after receiving a promotional increase by: appointment to a new job; reallocation; or reassignment to a higher pay grade.

Employees promoted within the six month promotional probationary period will have their new salary computed based on the salary in their last position where they

completed any required probationary period plus the promotional increase. However, in no circumstances may an employee's new salary be lower than the employee's most recent salary.

Employees who do receive a promotion during their six (6) month promotional probationary period will have their salary computed based upon the rate it was in the last position in which they completed any required probationary period. This computation will not result in any loss of pay to the employee, but may not result in as large a salary increase as the most recent promotion.

If an employee is demoted within the six (6) month promotional probationary period, the employee's new salary will be computed by applying the demotion rate to the old salary in the last position for which they completed the required probationary period.

Restoration Salary Methods: Employees whose salaries are reduced due to voluntary demotions have restoration rights to their previous tenured rate of pay and pay grade for two (2) years. If during that two (2) year period they move to a higher pay grade, their salaries will be computed as follows:

- If the new pay grade is lower than the restoration pay grade, the promotional rate is applied provided it does not exceed the restoration salary.
- If the new pay grade is the same as the restoration pay grade, the employee's salary is placed at the restoration level.
- If the new pay grade is higher than the restoration pay grade, the employee receives the normal promotional rate. The "normal promotional rate" in such a circumstance is calculated by adding the contractually prescribed promotional increase to the restoration rate within the permissible salary range selected by the appointing authority. (See Personnel Rules, Section 6.077). The amount of the contractually prescribed promotional increase is based on the difference in paygrade between the restoration pay grade and the pay grade of the new position.

Example: An employee is working at pay grade 20, but has restoration rights to pay grade 22 as a result of having previously established permanent status at pay grade 22. The employee is selected for a promotion to pay grade 24. The appointing authority can exercise some discretion in determining what this employee's "restoration salary" may be. See Section 6.077 of the Personnel Rules and Regulations. In this case, the percentage promotional rate of pay is based on a promotion from pay grade 22 to pay grade 24 (not 20 to 24) and is therefore 5% under current contract. The 5% promotion rate is then applied to the selected "restoration salary" (i.e., that step in pay grade 22 that the appointing authority has selected.)

"Restoration salary" includes the employee's previous tenured salary at the higher pay grade, plus the step increments which would have occurred had the employee remained at that pay grade so long as they receive satisfactory evaluations.

Reclassification: Actions involving the assignment of a position to a higher or lower pay grade have the same effect on employees' pay as promotions and demotions (See Number 6.2, Classification Review).

For assistance in making any determination based on this policy, please call the Director of Classification, at the Department of Personnel at (802) 828-3609.

Signed By Kathleen C. Hoyt, October 25, 1999

Approved, Secretary of Administration