

Demotion/Reassignment Policy

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§ 1. **Definition**

Demotion or reassignment is a change in status resulting from assignment to a position assigned a lower salary grade.

§ 2. **Policy**

If the change in status results from inefficiency in performance or as a disciplinary action, the action is considered a demotion. If the change results from a mutual agreement between the employee and employer (e.g., choice of the employee; organizational needs, such as reorganization or reduction in force; or other mutually agreed upon arrangement), the action is considered a reassignment.

§ 3. **Salary Rate**

When the employee's current salary is above the maximum of the range for the lower class, the salary shall be reduced at least to the maximum of the lower range.

When the employee's current salary falls within the range of the lower class, it may be reduced to any salary in the lower range, or it may remain the same except in the following two situations:

- (1) When an employee has been promoted or reallocated upward and is being demoted or reassigned to a lower class within one year, the following shall apply:

If to:	The salary shall:
the same grade level held before the promotion or reallocation,	revert to the salary paid before the promotion or reallocation plus any increases that would have been given had the change not occurred.

Demotion/Reassignment Policy (cont.)

<p>a higher grade level than held before the promotion or reallocation,</p>	<p>revert to a salary that is permitted by the Promotion or Reallocation Policies, as though the previous promotion or reallocation had not occurred.</p>
<p>a lower grade level than held before the promotion or reallocation,</p>	<p>revert to the salary paid before the promotion or reallocation plus any increases that would have been given had the change not occurred, but not to exceed maximum.</p>
<p>Note: Computation of salaries must be shown on the Form SAL, i.e., old salary plus dollar amount of increases to be added, such as legislative increase or performance increase. Documentation for the new salary must be established under the procedures in the Pay Administration Policy. In addition, staff should attach the analyst notes to the OM action in the HR/Payroll System. Universities should maintain documents in their system of record.</p>	

(2) When an employee has reduction-in-force priority rights, the following shall apply:

The employee’s salary shall remain the same, unless the salary exceeds the maximum of the new salary grade. When the salary exceeds the maximum of the salary grade, the employee’s new salary shall be reduced to the maximum of the new salary grade. (See Advisory Note below.)

Advisory Note: The agency is not relieved from paying the same salary rate unless the RIF employee voluntarily offers/agrees to accept a lower salary rate and a written “waiver” is obtained in the pre-screening phase of the selection process. Someone other than the supervisor making the selection decision should review the applicant pool before referring to the hiring authority. If a valid waiver is in place, the best practice would be to place the salary conditions in the written waiver agreement.

The agency would be allowed to give an increase(s) up to the previous salary amount should funds become available.

Demotion/Reassignment Policy (cont.)

§ 4. Effective Date

Demotions or reassignments shall be made effective on the date the employee assumes the duties of the new position or on the first day of the pay period nearest to that date.

§ 5. Qualifications

If a demotion or reassignment is made to a position within the same field of work, the employee automatically qualifies. However, if a demotion or reassignment is made to a different field of work, the employee must meet the minimum recruitment standards, or their equivalent, as set forth in the class specification.

§ 6. Appeal from Demotion

An employee who has achieved career status as that term is defined in N.C.G.S. § 126-1.1 shall have the right to appeal a demotion to the State Human Resources Commission. Provisions of the appeal procedure shall be followed.

§ 7. Sources of Authority

This policy is issued under any and all of the following sources of law:

- [N.C.G.S. § 126-4\(2\), \(6\)](#)
- [25 NCAC 01D .0400](#)

§ 8. History of This Policy

Date	Version
January 1, 1976	Demotion - Revises salary policy to permit employee's salary to remain above the maximum of the range when an exception is justified.
July 1, 1977	Deleted provision for appeal from demotion for employees with less than 5 years of continuous state service.
August 1, 1977	Deleted provision that allowed exceptions for leaving salaries above the maximum. Salaries would have to be cut at least to the maximum on the effective date of the demotion.
August 1, 1988	Revised Demotion Policy to "Demotion or Reassignment Policy." Deleted Performance Increase Anniversary Date.

Demotion/Reassignment Policy (cont.)

January 1, 1990	Changed to conform to new pay plan (no steps).
July 1, 1990	Previous policy required that if employee is promoted and subsequently demoted, no increase can be given when promoted back to same level. Revised to allow an exception when employee is promoted or reallocated upward and subsequently demoted, reassigned or reallocated downward to any lower class within one year.
March 1, 1994	Clarified the definition of “demotion/reassignment” to make clear that it involves a change to a lower pay grade. Changed “permanent” to “career.”
August 1, 1995	Appointment terminology clarified.
December 1, 1995	Revised to incorporate RIF provisions.
July 1, 2001	Revised to add paragraph at end of Salary Range, which was erroneously omitted.
July 1, 2002	Revised to include advisory note regarding salary “waiver.”
April 1, 2005	Formatting change only. One of the paragraphs was moved for clarity.
December 12, 2024	Added to Note in Section 3, Salary Rate: “Documentation for the new salary must be established under the procedures in the Pay Administration Policy. In addition, staff should attach the analyst notes to the OM action in the HR/Payroll System. Universities should maintain documents in their system of record..” Also updated reference from old PD-105 form to Form SAL.