

Salary Range Revision

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Definition

Salary Range Revision is any change in a salary range approved by the Human Resources Commission and resulting from changes in the labor market.

The revision may result in a change to the minimum and maximum, a change to the minimum only, or a change to the maximum only.

For purpose of the Salary Adjustment Fund, the following references are considered range revisions.

- Salary Range Revision – change to the minimum and/or maximum
 - Special Minimum Rate – change to the minimum only
 - Geographic Differential – change to the minimum and maximum
 - Career Progression Adjustment/Labor Market – change to the minimum and/or maximum of the pay range or a change in the market rate(s) (See Career Banding Salary Administration Policy)
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Purpose

The primary purpose of range revisions, special minimum rate (SMR) authorizations or geographic differentials is to provide current and competitive salary rates for use in recruitment of employees. Revisions resulting from upward changes in the labor market

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serve another purpose in helping reduce the vulnerability of employees to external job offers when their salaries are below the market average as reflected by the midpoint of the salary range.

Determining the Amount of Increase

Salary increases as a result of salary range revisions, special minimum rates, or geographic differentials are not rewards for job performance or assumption of greater responsibility. Increases provided by this policy are for maintenance of market competitive pay levels for affected employees. For employees below the midpoint, management is encouraged to increase salaries.

Factors that should influence the amount of increase include:

- current salary relationship to the minimum and midpoint rates,
- salary equity among affected employees, and
- satisfactory job performance.

Subject to the availability of funds and satisfactory performance, salary increases, not to exceed the maximum of the range, may be given in accordance with the provisions outlined below.

Equity

Agency management is responsible for assuring that inequities are not created.

Minimum Salary Increase

When a classification is assigned to a higher grade, if funds are available and if there are no performance or personal conduct issues involved, the employee's salary shall be increased to the minimum of the new range.

Delayed Salary Increase to the Minimum

If funds are not available to implement a salary range revision, the increase to the minimum shall be given from the first available funds and may be made retroactive to the effective date of the salary range revision. If the increase is denied because of

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performance or personal conduct, the increase may be given on a current basis if/when the issue is resolved.

Optional Salary Increase

Salary increases within the range are optional but may be considered unless a reduction in grade has occurred as explained under "Salary Range Revision within 24 Months of a Reduction." If the full increase is not given, additional increases, up to the full allowable amount, may be given at later dates on a current basis. The total increase cannot exceed the dollar amount provided by the difference in the minimum salaries of the old range and the new range.

Advisory Note: If increases are to be given at later dates, a notation must be entered on the form showing the dollar amount of the allowable increase, the amount given, and the balance that may be given later. The personnel actions submitted later must state "Range Rev Inc - After Effective Date" in the description of action block.

Salary Increase Authorization Cancelled

If a subsequent promotion, reallocation up or down, demotion or reassignment occurs, this cancels the authorization to grant additional increases as a result of the previous salary range revision.

Salary Range Revision Within 24 Months of a Reduction

If an employee has been reduced to a lower salary grade through demotion, reassignment, reallocation, or salary range revision, but without a corresponding reduction in salary, and the employee's position is later assigned to a higher grade as a result of salary range revision, the number of grades in the original reduction shall be considered to have been compensated and shall not be considered in the above salary setting procedure.

If the reduction in grade occurred as much as twenty-four months previously, the agency may give consideration to granting a salary increase within the provisions of this policy. The need to maintain equity of salaries within the work unit must be a major consideration.

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Performance Increases

If the employee is to receive a performance salary increase (interpreted to mean cost-of-living adjustment, career growth recognition award or performance bonus) on the same day as the salary range revision, the increase shall be given before a range revision increase is considered.

Salary Range Revision with No Change in Special Minimum Rate

When an agency has implemented the SMR for a classification that is receiving a range revision and there is no change in the SMR, a range revision adjustment is not given. The SMR covers the range revision amount.

Salary Range Revision to a Lower Grade

When a classification is assigned to a lower grade, the employee's grade may be allowed to remain at the current level so long as the employee continues to occupy the same position or is in the same classification; however, the grade of the position must be reduced and the employee will function in a "work against" mode.

Once the position is vacated, it must be filled at the lower grade level.

Special Minimum Rate

When critical recruitment or employee retention problems are officially recognized by the Human Resources Director, but salary range revisions are not necessary, feasible or practical (i.e., when range minimums are not competitive, but maximums are adequate), the Director may authorize a special minimum rate. When implemented, this becomes the new minimum rate for that class.

If an employee's salary is below the SMR, it may be increased to the SMR effective on the date that the SMR is implemented. If funds are not available at that time, but become available later, the increase to the SMR may be retroactive.

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The In-Range Salary Adjustment Policy may be used for internal pay alignment. Increases for internal pay alignment shall not exceed the dollar amount difference between the grade minimum and the SMR or the 10% annual limit on in-range adjustments, whichever is less.

Classes Not Included in SMR Authorization

When a SMR authorization does not include all classes within a class series, consideration for increases for employees in the class(es) without a SMR will be on an individual basis, with written justification.

Effects of SMR on Subsequent Personnel Actions

Promotion or Reallocation from class without an SMR to class with an SMR: When promoted or reallocated from a class that does not have a SMR to a class in which a SMR has been implemented, the agency may grant the SMR in accordance with the promotion or reallocation policies.

Lateral Transfer: If an employee transfers between agencies and the releasing agency does not utilize an authorized SMR but the receiving agency does, the SMR cannot be used as justification for a salary increase if both work stations are within the same geographic area (e.g., Greenville to the Triangle area).

Geographic Differential: If a geographic differential is assigned to a class that has a SMR and the SMR does not change, no additional increase is allowed.

Geographic Differential

When critical recruitment or employee retention problems in a specific location are officially recognized by the Human Resources Director, but a salary range revision is not necessary, feasible or practical statewide (i.e., when both minimums and maximums are not competitive in a specific location but are competitive in most locations), the Human Resources Director may authorize a higher salary range for a specific location.

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A geographic differential is established as a salary grade above the established salary grade. Agencies experiencing recruitment and retention difficulties may elect to use the geographic differential. When a geographic differential is in effect, salary increases may be granted in accordance with the salary range revision policies and all salary administration policies are applied as if the classification were at the higher grade.

Effects of Geographic Differential on Subsequent Personnel Actions

Promotion or Reallocation from class with Geographic Differential to class without Geographic Differential: When promoted or reallocated from a geographic differential class to a non-geographic differential class, the employee's pay rate must first be reduced. The reduction is the amount of the dollar difference between the current minimum of the geographic differential salary grade and the current minimum of the same class without the geographic differential. Then, increase is determined from the lower salary grade in accordance with the promotion or reallocation policy.

Promotion or Reallocation from class without Geographic Differential to class with Geographic Differential: When promoted or reallocated from a non-geographic differential class to a geographic differential class, the increase is granted in accordance with the promotion or reallocation policy.

Lateral Transfer, Reallocation Down, Reassignment or Demotion: When an employee is receiving a higher rate of pay by virtue of working in a geographic differential class and transfers (laterally, reassigned or demoted or reallocated down) to a non-geographic differential class, the employee's pay rate is reduced. The reduction is the amount of the dollar difference between the current minimum of the geographic differential salary grade and the current minimum of the same class without the geographic differential.

Special Minimum Rate: If a higher geographic differential is assigned to a class that has a SMR and the SMR does not change, no additional increase is allowed.
