



Salary Plan Administrative Guidelines

Administrative guidelines are designed to maintain the competitiveness, appropriateness, integrity and consistency in application of Teton County’s salary plan. These guidelines address the method of revising the pay structure and managing employee movement through the range to maintain a structure that is internally equitable and externally competitive.

ANNUAL SALARY PLAN ADMINISTRATION

During the preparation of the new fiscal year budget, Board of County Commissioners will consider the following:

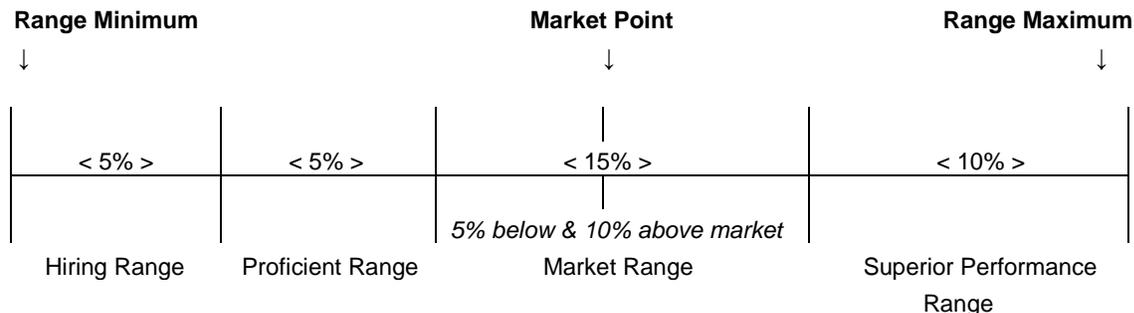
1. Budget a market adjustment to the salary schedule every one or two years. A market adjustment increases the market rates of the pay plan, and thus moves the entire pay structure’s minimum, market and maximum rates. This part of budgeting is usually considered part of the cost of doing business similar to adjusting for increases in fuel or supplies. *A market adjustment does not provide an automatic increase to employees.*
2. Budget a merit adjustment for those employees who are consistently exceeding job standards and expectations, or for special cases where employees provided specific extra performance during the past year while continuing to meet overall expectations. The merit adjustment is usually budgeted as a separate line item and is maintained in the Commissioner’s budget.

To determine the percentage increases for market and merit adjustments, the County (or its human resources consultant) should contact the same employers that participated in the salary and benefits survey, and ask them what adjustments they are making to their pay plans. The County should then average the data received and use that average as the basis for the above increases; this method will ensure that the County is maintaining a competitive position with other employers in its market area and with regional price increases. The county may contact BDPA, or other consultants who maintain salary adjustment information, to obtain general trend information at no charge.

SALARY RANGE STRUCTURE

The salary range is designed based on a pay for performance philosophy.

The salary range structure consists of a series of salary guidelines with minimum and maximum dollar values that represent the lowest and highest salaries the County would normally pay employees in jobs assigned to each range. Based on standard compensation methodology, each range is approximately 40% wide from minimum to maximum and each range is divided into four target areas: Hiring Range, Proficient Range, Market Range and Superior Performance Range.



The salary structure design includes:

- Hiring range is 86-90% of market point
- Temporary/Seasonal Employees (who receive no benefits) may be hired at 91% of market point their first season and re-hired at 96% for subsequent seasons
- Range minimum is 86% of market point
- Proficient performance is 91 to 95% of market point
- Market Range is 96% to 110% of Market Point
- Consistent Superior Performance is 111 to 120% of Market Point

The market range represents the general average of what other employers are paying for similar jobs in the County's market area. The market area is defined as the area in which the county competes for qualified applicants and employees, understanding that it could be different for various types of jobs. It includes the local area, public and private employers, and counties of similar size and economic conditions within the regional area or state of Idaho.

The market range is a 15% range that is 5% below and 10% above the market point. It represents external competitiveness and will directly impact the County's ability to attract and retain qualified employees. At least every two years and preferably every year, the County will evaluate the need for a market adjustment to the pay structure to ensure it remains competitive in the market area. A market adjustment is an adjustment to the pay scale, not to individual salaries unless the individual falls below the minimum of the salary range.

With this salary structure, pay rate increases will be based on good, competent performance and consistency of performance over time. Longevity plays a very small part in pay recognition. While length of service often results in increased job knowledge and capability, the County will focus on how that knowledge, capability and skill is demonstrated through job performance.

The pay for performance philosophy provides an opportunity for every employee to receive increases based on individual performance. Increase amounts will be determined based on allocated and budgeted funds for performance increases.

PAY STRUCTURE REVISION

Salary ranges should be updated on a regular basis either annually or every other year to continue to reflect the County's market competitiveness.

The salary range updates are designed to relieve any upward pressure on range minimums, midpoints and maximums that may impede the County's ability to attract, motivate and retain its workforce. Updates to the salary structure are referred to as "Market Adjustments." *Market Adjustments differ from the common Cost of Living Increases because they are not automatic increases for employees.* The Market Adjustment will realign the salary pay ranges to competitive levels; employees will re-earn or gain their position in the updated range based on performance.

The salary structure is dynamic; it needs to be revised at regular intervals based upon market conditions to maintain the County's market competitiveness. The goal is to keep the structure's market rates on track with market data. As such, it is important for the County to continue to monitor market rates to attract and retain qualified employees. The County shall conduct a formal salary survey based upon the established benchmark positions and labor market employers at least every four years. In the "off" years, it is advisable to contact market employers to obtain data on the market adjustments they will make to their salary schedules for an appropriate adjustment.

Market adjustments will be applied to the salary schedule at least every two years.

The market adjustment will be built into a salary merit matrix (explained under "Merit Increases" below). The matrix is designed each year based on funding; it may provide for a market adjustment to the salary schedule and pay for performance increases to some employees.

MANAGING EMPLOYEE MOVEMENT THROUGH THE RANGE

The salary range, for administrative purposes, is divided into four target areas that are used in conjunction with objective performance appraisal procedures.

Target Area A is the Hiring Range (86-90% of market). This target area includes a 5% hiring range (from the minimum to 90% market ratio); it represents the pay rates for which applicants may be hired based on

individual qualifications, background and experience. Salaries paid within the hiring range typically apply to those employees who are newly hired, or are comparatively inexperienced and in the process of developing toward a more complete performance of their job duties and responsibilities. It is expected that most employees with good, competent performance will move through this part of the range rather quickly as they progress in their jobs during the first year or two of employment. *Note: There may be occasion to hire a new employee at a rate greater than the hiring range and a supervisor may do so with proper justification and prior approval of the County Commission.*

Target Area B is the Proficient Range (91-95% of market). This range is a 5% area that represents employees who are proficiently progressing in their job. Typically, this range represents employees with good, competent performance who have been on the job for 2-4 years.

Target Area C is the Market Range (96-110% of market). This target area includes a range of 5% below and 10% above the market rate. Salaries paid within this range represent employees who are doing the job they were hired to do. They are meeting the County's needs for work completed and they are meeting all performance objectives. It is within this target area where the County will see the majority of salaries clustered. This is the area that represents competitive wages and impacts the County's ability to attract and retain qualified employees. Given good competent performance, employees may expect to reach this portion of the range within 4-6 years of employment, based on County funding. Because the salary schedule will be adjusted at least every two years, most employees will probably stay within this target area, being rewarded for their good performance and being able to receive at least 10% above the market rate.

Target Area D is the Superior Performance Range (111-120% of market). This portion of the salary range represents employees who have demonstrated consistently superior performance over time; these employees are the stars of the organization who have been with the County for eight or more years. A range spread of 10% is allocated for salary growth opportunities within this portion of the range. It is expected that 3-5% of Teton County employees will fall within this range.

It is important to remember that salary adjustments should not be made over the Range Maximum. However, if an outstanding performer's salary is at the maximum of the range and an additional increase is warranted based on continued superior performance, a pay for performance increase may be awarded but will be paid to the employee in a lump sum that does not increase the employee's base pay.

**No pay cuts have been recommended for implementation. As a result, some employees are being paid in a target range that may or may not reflect performance and/or years of service. This should correct itself over time.*

MERIT INCREASES

Merit or performance-based increases are earned by employees on the basis of individual performance over an established period of time. Merit increases may be awarded on an annual basis. *The merit increase amount is dependent on performance, location of the employee's salary within the pay grade (position in the salary range) and available funding.*

Teton County supports a pay for performance philosophy where increases may be awarded based on meritorious achievements and other individual performance factors. Other considerations in addition to individual performance include current position of salary within the range and internal equity. Also, increases may be delayed or withheld if a performance issue exists.

By combining the influences of performance, market adjustments to the salary scale, employee position in the range and budgetary constraints, a merit administration matrix will be established each year to determine the percentage amount of merit pay increases. In other words, the amount of increase may vary by individual, based on performance, and funding allocated by the Board of County Commissioners.

It is to the County's advantage to adjust salaries closer to the market rate in an expedited manner in order to retain good, qualified employees. Thus, a merit administration matrix will be developed to guide increases within a salary range. This idea is to provide higher salary increases to those employees whose performance is

exceptional and whose current salary is low in the range. The salary administration matrix is designed to move salaries closer to the targeted market range, paced by an individual employee’s performance. The better the performance, the faster the salary moves to market levels.

The following example is provided for *illustrative purposes only* and includes a built-in market adjustment that may be applied to the salary schedule. It should be noted that the merit increase is typically awarded to employees for good, competent or higher performance; increases in the “needs improvement” performance rating are **ONLY** awarded after the performance is brought to the good, competent level, and sustained over a specific period of time.

The percentage increases shown below are provided as an example only; percentages will change each year based on allocated funding. Percentages are likely to vary each year.

SAMPLE ONLY: Merit Administration Matrix

	CURRENT RATE OF PAY			
	Hire Range (86-90%)	Proficient Range (91-95%)	Market Range (96-110%)	Superior Performance Range (111-120%)
Superior Performance	Market Adjustment, + 4% - 5%	Market Adjustment, + 3% - 4%	Market Adjustment, + 2% - 3%	Market Adjustment + 2 or 3% (not to exceed range max) or one-time lump sum increase not added to base
Exceeds Expectation	Market Adjustment + 3 or 4%	Market Adjustment + 2 or 3%	Market Adjustment + 1% - 2%	Market Adjustment + 1% - 2%
Fully Competent – Meets Expectations	Market Adjustment + 2 or 3%	Market Adjustment + 1 or 2%	Market Adjustment	Slightly less than Market Adjustment
Needs Improvement	No Adjustment	No Adjustment	No Adjustment	No Adjustment
Fails to Meet Expectations	No Adjustment	No Adjustment	No Adjustment	No Adjustment

OTHER PAY INCREASES

Situations that call for other pay increases may occur for purposes of recognizing special assignments or correcting inequities. Other pay increases may be awarded as base pay increases or one-time lump-sum payments.

Equity Adjustments. Equity increases are typically internally focused and adjustments are made in order to improve or correct pay relationships between individuals in the same or related jobs. Equity adjustments are normally added to base pay.

Temporary Assignments. These are special increases that may be granted to regular employees who agree to perform special temporary assignments at the request of the Department Head, with concurrence of the County Commissioners. Examples of temporary assignments may include substituting for an absentee supervisor for three or more months, or assignment to special projects for three or more months. The amount of the temporary increase depends on various criteria and will be determined on a case-by-case basis. Considerations will include duration of assignment, amount of increase, type of assignment, internal equity, amount of time spent on added responsibilities and other factors. Temporary assignment pay may be added to base pay on a temporary basis or may be a one-time lump sum payment.

PAY FOR PART-TIME WORKERS

Typically the hourly pay of part-time employees is determined in the same manner as that of a full time employee in the same job.

To promote equity and consistency, especially in cases of temporary, seasonal and casual workers performing a similar job to regular workers, the County will determine temporary workers' pay based on the assigned salary range. The county will use BDPA, Inc. or another firm to evaluate these positions and assign them to an appropriate salary range based on the duties and responsibilities of the job.

CONTRACT WORKERS

Contract workers are not covered by the county's salary plan.

In most cases, if the county provides office space, equipment and supervision, the worker is an employee and not a contractor. Managers are encouraged to consult with the County Clerk to be certain the county stays in compliance with the Federal Fair Labor Standards Act.

SALARY GRADE ASSIGNMENT FOR NEW POSITIONS

New positions may be developed from time to time based upon Teton County needs. The County will determine and identify the responsibilities and requirements of the job to develop a new class specification (job description) or fit the job into an existing class. Then the job valuation factors may be used to analyze the job for proper placement into a salary grade based on internal equity.

Job valuation is a means to evaluate dissimilar jobs based on common criteria to establish internal equity of positions. It determines the relative value of jobs in the County based on the compensable factors as stated in the Equal Pay Act of 1963 (skill, effort, responsibility and working conditions) and it documents the relative value as required by the Lilly Ledbetter Act of 2009. Job valuation essentially has little relationship with specific compensation, except that the process of valuing a job results in that job being assigned to a pay grade.

Teton County will request BDPA (or another qualified HR consultant) to develop the new class specification, or fit the job into an existing classification and recommend an appropriate pay grade assignment upon request. The following guidelines shall be followed for new positions or changes in responsibility:

1. Complete a Position Description Questionnaire. For a new position, the questionnaire should be completed by the department manager or supervisor and reviewed and approved by the department head or Elected Official. The PDQ will be sent to BDPA or another outside compensation firm by the

HR Coordinator or County Clerk. BDPA will draft a description, based on information supplied by the questionnaire. The description will be returned to the department for a final review.

2. HR Consultant will look at the new job in its entirety. The primary purpose/function of the job and the required knowledge, skills and abilities needed to perform the job must be reviewed; consider whether the job might be placed within the department's hierarchy based on "reasonableness", "best fit" and "common sense". This is called the "whole job" method of valuation because jobs are viewed globally in terms of importance to the function of the organization.
3. HR Consultant will review the job valuation factors that have been established by the County (see below). In cooperation with the requesting department, HR Consultant will consider how this job relates to other positions within the department and the County. For example: Does the position have a greater level of responsibility than other similar jobs? Does performance of the job's duties contain a high degree of risk or impact if a mistake is made? Does the position include authority to make decisions or does it have to confer with a supervisor or manager? Does the position have significant autonomy or are the duties required to be performed with others?
4. HR Consultant will determine where the position fits within the County-wide Pay Grade Chart (Kinds and Levels Chart). This determination will be made after reviewing other positions in that same pay grade and positions within pay grades above and below, using the job valuation factors. Are the minimum acceptable qualifications similar? Is the required level of job knowledge generally alike? Do the positions handle information in a similar way?

TETON COUNTY JOB VALUATION FACTORS

Knowledge. Consideration of any special knowledge, skills or abilities which may be required for the employee to perform and comprehend the work performed. Knowledge may have been gained through education, life experience, work experience, on-the-job training or other method (e.g. licensure, certification, etc.).

Responsibility & Impact. Consideration of the primary ownership of job responsibility and the extent to which performance of those duties may impact convenience to others or result in rework, disruption of work and additional expense. Includes budget size, control, oversight and development.

Communication & Customer Service. Consideration of responsibility for working with and through others to get results; considers the method and purpose of contacts, both inside and outside the work area.

Complexity. Consideration of the scope, nature of duties and complexity of problem solving and decision making, including the degree of analysis required to process information and data for effective decisions. Measures judgment, reasoning, self-reliance and independent action required in making decisions and the extent to which duties performed are standardized by practice, procedure or instruction.

Supervision. Consideration of supervisory or managerial responsibility for oversight of people, function or organizational unit. Includes consideration of the type and frequency of supervision received and given; the level of independent action, free of supervision; and the level of authority for hiring, disciplining and conducting performance evaluations.

Working Conditions. Consideration of the work environment and physical demands of the job. Includes noise, temperature, hazards or exposure to hazards, weather conditions, potential for injury, physical demands, strength/endurance and dexterity.

JOB VALUATION OF POSITIONS THAT CHANGE SIGNIFICANTLY

The classification plan for the County is based on the mission and needs of the County and departmental goals, translated down to the responsibilities and duties of a particular job. As County goals and objectives change and department needs are re-identified or enhanced, the duties and responsibilities of a job may also change. Effective administration of the classification plan and identification of changing needs will require the cooperation of every department head and Elected Official.

Each time the duties and responsibilities of any position change significantly enough to warrant a re-evaluation, a new position questionnaire should be completed and a review of the kinds and levels chart (pay grade chart) should be conducted. Typically, BDPA (or another qualified HR consultant) will conduct a re-evaluation and analysis of the position's duties and responsibilities. A recommendation will be presented to the County Commission for their approval. There are varied potential results to any position review, such as:

- No change is necessary or recommended (this is frequently the result).
- The position may be assigned to an existing classification at a higher or lower level or to another class on the same level. This means the position is responsible for nearly the same duties and responsibilities, and has very similar acceptable qualifications commensurate with those duties, as an existing classification specification; thus, there's not a need for a new classification and the position under review can be "slotted" into an existing classification.
- The position may be properly aligned internally, but the duties have changed sufficiently to warrant revising the class specification. In this case, the position would not be adjusted to a new pay grade but the classification specification would be modified to reflect changing primary responsibilities.
- The position changes may warrant the development of a new classification and re-evaluation under the job evaluation process to allocate the job to the appropriate level internally. The appropriate level could be higher or lower.

It is important to remember that the classification plan is established based on *internal equity* of County positions. Caution should be exercised in plan administration and maintenance:

- Do not agree to a reallocation of a position on the basis of a verbal statement without conducting a thorough analysis of duties and responsibilities, and evaluating the job compared to other jobs in the organization; review the County-wide Kinds and Levels Chart;
- Be sure to evaluate jobs based on the job's overall responsibility, essential job functions and minimum qualifications required; DO NOT evaluate the job based on the incumbent's personality, qualifications or experience;
- "*More*" work of the same or similar nature does not necessarily translate to additional complexity, diversity or a change to the minimum qualifications of a job or compensable factors of a job;
- Avoid reallocating positions because the current job incumbent may leave or the salary is at the maximum of the range;
- Do not reallocate positions merely because a specific program or service is financed through a grant or other program.

If an existing job has changed substantially, resulting in a new position, the employee would complete the questionnaire first, with the supervisor and department head providing additional information and approval. The HR Consultant will draft a description based on information supplied by the questionnaire, and return it to the department for review. The HR Consultant will then review the position for internal equity and follow the steps outlined herein to determine the appropriate pay grade.

HANDLING EMPLOYEE STATUS CHANGES

There is no easy answer when dealing with pay issues related to employee status changes. The best approach is to review each case individually and make as appropriate and consistent a decision as possible. The following guidelines are recommended for consistency in pay administration.

Effect of Promotion on Pay. The County Clerk, HR Officer and Department Head will evaluate internal equity to recommend an adjusted salary for promotions to the County Commission.

A promotion is typically defined as movement from one level in the organization to the next; it usually results in movement to a job with significantly different job content, accountability and responsibility.

A common guideline for promotional increases is to increase the salary by a minimum of one-half of the grade progression. Thus, if an employee is promoted from a position in grade 5 to a position in grade 6, the employee may receive a promotional increase of approximately 4% (or one-half of the 8% grade progression). However, depending upon the incumbent's current pay and internal equity with current employees with the same job, more or less may be required. Internal equity is an important consideration in determining an appropriate promotional increase. In some cases, it may be determined that the employee should maintain range position and receive the full 8%.

Teton County will consider the following administrative review criteria for promotional increases:

- a. Employee's placement in the new range in relation to the midpoint;
- b. Pay grade difference between old and new position;
- c. Internal equity of department.

Effect of Demotion on Pay. Pay determinations made on the basis of demotion will be handled on a case by case basis determined by the County Clerk, HR Officer and Department Head with a recommendation to the County Commission and a review by the County's attorney.

A demotion is movement from the current job to a job in a lower salary grade. Situations that may result in a demotion include:

- Employee requests to be moved back to a lower-graded job due to personal reasons, inability to perform current job or merely a preference for the type of work;
- The County acknowledges the employee's poor performance on the current job and demotes the employee to a lower-level job in which the employee can perform adequately or better.

The pay treatment for each situation is similar. Typically, salary adjustments as a result of a demotion will be made to the same placement in the new (lower) range, but should be based on the following criteria:

- a. The reason for the demotion;
- b. Employee placement in the new range in relation to the market;
- c. Pay grade difference between old and new position;
- d. Internal equity of department.

Effect of Other Employee Status Changes on Pay. Pay determinations will be handled on a case by case basis determined by the County Clerk and HR Officer, in cooperation with the Elected Official or Department Head over the position, who will make a recommendation to the County Commission. The County Commission shall approve any employee status change.

TRANSFER. A transfer occurs when an employee moves from one job to another job in the same salary grade. In this case, there is typically no pay adjustment, salary increase or salary decrease because the two jobs are valued at the same level and have similar internal worth to the organization. It usually is not necessary to change the pay because the employee is not changing the level or complexity of job responsibilities.

RECLASSIFICATION. Typically, a reclassification occurs when the duties and responsibilities assigned to a position have changed substantially in degree of difficulty, level of accountability and/or qualification requirements to warrant a change in the job's salary grade assignment and alignment within the internal organizational structure. A reclassification may be upward or downward. An employee occupying the position that has been reclassified downward through no fault of his/her own will typically maintain their current salary in the new range. There could be occasion that an employee's salary will decrease as a result of reclassification, determined by the County Commissioners in cooperation with the appropriate Elected Official. An employee whose position is reclassified to a higher level/grade may receive a salary adjustment

based on similar criteria as that used for promotional purposes, depending on employee performance and position within the new salary range.

CERTIFICATION PAY

A “certification” is often received for completing specific course-work and passing a test. Generally, some certifications may be required as part of a job, not unlike an educational requirement of a bachelor’s degree for some positions or a license for an Engineer position.

Some employers choose to reward employees by increasing base pay when a certification is received for job-related training or testing. However, when other employees receive job-related training that does not specifically result in a “certification” (such as an accounting specialist who takes a college level semester course in accounting), they do not receive the recognition of an increase to base salary. For this reason, certification pay can be applied inequitably.

Teton County used the weighted average to calculate the market rate for jobs. The weighted average is the *actual salary paid* to employees. For example: salary data requested for Sheriff’s positions was based on the weighted average, (i.e., the average of actual salaries paid to all Law Enforcement Officers; some officers have a Basic certification and others may have an Intermediate or Advanced certification; regardless, all salaries were averaged together for the “weighted average.”) Therefore, Teton County will consider certification pay in only the case to reach proficient range.

However, Teton County believes in continued education for all employees. Elected Officials and Department managers should budget specific staff training when preparing their budgets. Not only does continued education promote growth within a current job, it often prepares an employee to accept additional responsibilities that could result in a promotion. For employees above the proficient range, the County will consider rewarding certifications through a one-time lump sum award for obtaining the certification. Typically, the one-time lump sum amount does not add on to base salary but recognizes the accomplishment by the employee.

ALTERNATIVE AWARDS

The purpose of an alternative reward program differs from the goals and objectives of other aspects of total compensation. Salary is payment for doing the job; benefits are designed to protect the employee’s well being; and alternative rewards or incentives can direct, motivate and reward the achievement of specific performance goals. Alternative rewards do not need to be expensive or provide any cost liability to the county. When monetary recognition is awarded it is offered as a one-time check (which is taxable) or gift card and is not added to base salary. Elected Officials and Department managers are encouraged to use alternative awards to recognize and thank employees.

Teton County has two types of alternative awards; both are paid with Contingency Funds and require BOCC approval. Teton County’s alternative award plans include:

Spot Awards. This program is designed for those employees who have gone “above and beyond the call of duty.” It is used to recognize one time achievement, rather than sustained performance over a period of time. A common award for this type of program is an “on-the-spot” cash reward or a gift certificate from a local business for \$25, \$50 or \$100. Spot Awards must be requested by a Department Head or Elected Official and submitted for BOCC approval.

Noteworthy Performance Awards. This program focuses on exemplary or noteworthy performance which is more than “above and beyond the call of duty.” Job performance qualifying for this award must be documented and reviewed by the BOCC. The performance to be recognized will vary but should be performance beyond the employee’s usual job description and/or extraordinary effort on their own initiative.

An example of noteworthy performance would be the identification of significant cost-savings outside of an employee’s basic job responsibilities, or the excellent performance of duties not typically required of a position.

Noteworthy Performance Awards must be requested by a Department Head or Elected Official and submitted for BOCC approval.