GENERAL ADMINISTRATION
EMPLOYEE

046 WORK SCHEDULES AND COMPENSATION

046.6 Compensation Policy

046.6.1 Purpose

To provide a standardized system for employee compensation of the Human Services Department (HSD).

046.6.2 Definitions

A. "Appropriate Placement" means those elements to be considered in determining pay upon hire, promotion, or transfer. These elements include the employee's education, experience, training, certification, licensure, internal pay equity, budgetary availability and, when known and applicable, employee performance.

B. "Classification" means a job that is occupationally and quantifiably distinct.

C. "Compa-ratio" means pay expressed as a percentage of the midpoint of a Pay Band/Grade.

D. "Demotion" means an involuntary downward change for disciplinary reasons with a reduction in pay.

E. "Employee" means a person employed by HSD in a permanent, probationary, term, temporary, or emergency position.

F. "In Pay Band/Grade Adjustment" means movement within a Pay Band/Grade for demonstrated performance, skill or competency development and/or internal alignment, which allows management the flexibility to provide salary growth within a Pay Band/Grade.

G. "Manager" means an employee in a position that manages internal or external staff or a program, and who plans, organizes, integrates, coordinates, or controls the activities of staff or a program. A manager is also held accountable for the performance of people, services, systems, programs and resources and can change their direction, objectives and assignments to meet performance and business needs.

H. "Pay Band/Grade" means the range of pay rates from minimum to maximum.

I. "Promotion" means the change of an employee from a classified position in one Pay Band/Grade to a classified position in a higher Pay Band/Grade.

J. "Reduction" means a voluntary change without prejudice, within an employee's pay band, or from a classified position in one Pay Band/Grade to a classified position in a lower Pay Band/Grade, or voluntary removal of supervisory responsibilities and pay.

K. "Supervisor" means an employee in a non-manager classification who devotes more than fifty percent (50%) of his/her work time to supervisory duties, customarily and regularly directs the work of two or more other employees, and who has the authority in the interest of the employer to hire, promote, evaluate the performance of, or discipline other employees or to recommend such actions effectively. "Supervisor" does not include an individual who performs merely routine, incidental or clerical duties, or who occasionally assumes supervisory or directory roles or whose duties are substantially similar to those whom the individual only occasionally supervises or directs. Further, "Supervisor" does not include lead employees or employees who participate in occasional employee evaluation programs.

L. "Temporary Recruitment/Retention Differential" means a pay differential of up to fifteen percent (15%) of an employee's base pay to an employee who fills a position which has been documented as critical to the effective operation of the agency and has been demonstrated and documented to be a severe recruitment problem for the agency.

M. "Transfer" means the movement of an employee from one position to another in the same Pay Band/Grade without a break in employment.

046.6.3 Policy

A. It is HSD policy to provide for an equitable system of compensating employees commensurate with performance and job competency, within the constraints of HSD's financial capabilities. This policy and its procedures are consistent with the compensation philosophy established in the Classified Service Pay Plan/Grade by the State Personnel Office (SPO) and with the rules set by the State Personnel Board (SPB).

B. Salary decisions should reflect appropriate placement within the Pay Band/Grade, consideration of internal equity, budgetary limitations, market competitiveness, and department business need. Placement and progression of an employee's salary should also reflect the established or anticipated value of an employee's demonstrated skills, competency and performance.

046.6.4 Entrance Salary

A. Upon entrance to a classification, a newly appointed or rehired employee's salary, subject to budget availability, should reflect the appropriate placement within the Pay Band/Grade. Proposed salaries which exceed a 115% compa-ratio must receive approval from the SPO Director prior to an offer being extended.

B. Approval of an entrance salary above the minimum of the Pay Band/Grade must be obtained from OHR before an offer of employment is made to the candidate.

046.6.5 Salary Upon Promotion

A. Subject to budget availability, upon promotion, an employee's base pay shall be increased within the range of five percent (5%) to fifteen percent (15%) above the employee's base pay, unless a lesser increase will result in reaching the maximum of the new Pay Band/Grade or a greater increase is necessary to bring the salary to the minimum of the new Pay Band/Grade.

B. A salary increase that includes both a promotion and a supervisory pay allowance may not exceed twenty percent (20%) of the employee's base pay, unless a higher increase is required to bring the salary to the minimum of the Pay Band/Grade.

C. If within 6 months following a voluntary reduction by the employee, the employee accepts a promotion to their previous classification, the promotion shall be five percent (5%) of the employee's base pay, unless a lesser increase will result in reaching the maximum of the new Pay Band/Grade or greater increase is necessary to bring the salary to the minimum of the new Pay Band/Grade.

046.6.6 Temporary Salary Increase

A. Subject to budget availability and with the approval of the SPO Director, an employee may be granted a temporary salary increase (TSI) within the range of five percent (5%) to fifteen percent (15%) of the employee's base pay for a period not to exceed one year from the effective date of the salary increase, for temporarily accepting and consistently performing additional duties that are characteristic of a job requiring greater responsibility/accountability and/or assuming a position within a higher Pay Band/Grade. TSIs may be renewed with proper justification.

B. Justification for a TSI must demonstrate that the employee temporarily accepts and consistently performs additional duties which are characteristic of a job requiring greater responsibility/accountability and/or a higher valued job. (NMAC 1.7.4.12.L)

046.6.7 Temporary Recruitment/Retention Differential

A. A pay differential of up to fifteen percent (15%) of an employee's base pay may be authorized to an employee who fills a position which has been documented as critical to the effective operation of the agency and has been demonstrated and documented to be a severe recruitment problem for HSD. A differential authorized under this policy shall be tied to the position and may not transfer with the employee should the employee leave that position.

B. Temporary recruitment/retention differentials (TRD) may be approved for up to two years at a time and must be re-justified biennially. The TRD may be renewed.

C. Justification for the temporary recruitment/retention differential must address turnover history, vacancy history, reason the employee would be difficult to replace, and how employee's absence will have a significant adverse impact on HSD business mission and operations.

046.6.8 Pay Allowance for Performing Supervisory Duties

A. Subject to budgetary limitations, internal equity and department business need, a pay allowance, for up to one year, renewable annually, may be granted to an employee in a non-manager classification who devotes more than fifty percent (50%) of work time in accepting and consistently performing additional duties which are characteristic of a supervisor. This includes work direction and performance evaluation of at least two (2) full-time equivalent positions (FTEs), excluding non-baseline temporary positions. Employees in management positions are not eligible for the pay allowance for performance of supervisory duties.

B. The amount of the supervisory pay allowance without a promotion is between five percent (5%) and twenty percent (20%) of the employee's base pay. The pay allowance will not become a part of the employee's base pay rate and may exceed the maximum base pay assigned to the Pay Band. The allowance is based on the supervisory pay schedule as follows:

1. 2 - 6 employees, 5 % to 10% of base pay;

2. 7 - 11 employees, 8% to 15% of base pay;

3. 12 or more employees, 10% to 20% of base pay;

C. Additional consideration may be given to special circumstances related to the nature of the supervisory duties that either significantly increase or decrease the difficulty of the supervisory responsibilities. Such considerations include the complexity of the supervisory duties and the potential consequence of error if employees are not properly supervised.

D. The manager will provide justification for the supervisory pay allowance that addresses the items listed above. Approval of a supervisory pay allowance is contingent upon final approval from the OHR Manager. Salary offers shall not be made until the OHR Manager has approved the proposed salary.

E. Individuals accepting supervisory duties and pay through the supervisory pay allowance must agree to all terms and conditions by signing a *Pay Allowance for Performing Supervisory Duties Form* at the time of acceptance of a pay allowance. The pay allowance will be reviewed and may be renewed annually thereafter.

F. When the supervisory duties are no longer being performed, the employee's salary shall revert to the hourly rate of pay held prior to granting the pay allowance, plus any authorized pay increases that accrued during the performance of the supervisory duties.

046.6.9 Salary Upon Demotion

The salary of an employee who is demoted shall be reduced by a maximum of fifteen percent (15%), unless a lesser decrease would result in placement at the minimum of the new Pay Band/Grade, or a greater decrease is required to bring the salary to the maximum of new Pay Band/Grade. The supervisory pay allowance of any demoted supervisor who is no longer supervising will be removed.

046.6.10 Salary Upon Transfer

The salary of an employee who is transferred laterally either intra-agency or inter-agency shall remain the same unless documented as critical to the effective operation of the agency and approved by the Office of the Secretary. A lateral transfer is the movement of an employee from one position to another in the same Pay Band/Grade without a break in employment.

046.6.11 Salary Upon Reduction

A. The salary of an employee who takes a voluntary reduction in classification shall be reduced by up to fifteen percent (15%), based on appropriate placement, and removal of any supervisory pay allowance. However, the SPO Director may approve a salary reduction greater than fifteen percent (15%) due to special circumstances that are justified in writing.

B. The following sets forth standards for implementing this rule within the Human Services Department.

1. An employee requesting a reduction shall have his/her salary reduced by five percent (5%). However, no reduction can result in a salary lower than

the minimum, or higher than the maximum, for the new salary Pay Band/Grade or Pay Opportunity.

2. An employee requesting a reduction within one year of a promotion shall have his/her salary reduced to the pay before the promotion plus any general pay increases that accrued during the performance of the supervisory duties.

3. It is considered to be in HSD's best interests to allow reductions without a decrease in salary when an employee's position is reclassified to a lower level because of reorganization, other changes effected by management, or a classification decision reversing a previous decision in the absence of any apparent changes in job functions.

4. When a filled position is assigned a classification with a lower Pay Band/Grade, the employee may elect to take a reduction or overfill the position in their current classification.

046.6.12 Salary Upon Temporary Promotion

An employee may be temporarily promoted for a period not to exceed 12 months to a temporarily or effectively vacant position for which HSD can certify that the employee possesses qualifications and abilities necessary for successful job performance. Subject to budget availability, upon a temporary promotion, an employee's base pay shall be increased within the range of five percent (5%) to fifteen percent (15%) of the employee's base pay, unless a lesser increase will result in reaching the maximum of the new Pay Band/Grade or a greater increase is necessary to bring the salary to the minimum of the new Pay Band/Grade. At the end of the temporary promotion, the employee's salary shall be returned to the hourly pay rate held prior to the temporary promotion, plus any authorized salary increases that accrued during the period of the temporary retention. At the end of the temporary promotion period, employees shall return to their former position without right of appeal.

046.6.13 Salary Upon In Pay Band/Grade Adjustment

A. Subject to SPO approval, budget availability, and reflective of appropriate placement, an employee's salary may be increased up to ten percent (10%) during a fiscal year. An employee may receive more than one adjustment within a fiscal year, provided the salary increases do not exceed more than ten percent (10%) of the employee's base pay and the employee's base pay does not exceed the maximum of the assigned Pay Band/Grade. (NMAC 1.7.4.12.C) An employee's salary should be reflective of his/her demonstrated skill, competency and performance in their classification as tied to HSD's mission and established performance-based measures.

B. The following provisions set forth standards for implementing this policy within HSD.

1. Requests for In-Pay Band/Grade adjustments must be accompanied by a fiscal impact analysis of the request on the current and future fiscal years of the Division. The request must include cost projections and budgetary information documenting the Division's ability to absorb the impact of the proposed adjustments. The request must be reviewed by HSD's Administrative Services Division (ASD).

2. Requests for all In-Pay Band/Grade adjustments must be approved by the Office of the Secretary.

046.6.14 Holiday Pay

A. When an authorized holiday falls on an employee's regularly scheduled work day and the employee is not required to work, the employee shall be paid at their hourly rate of pay for the number of hours they would have normally worked.

B. Full-time employees, whose normal work schedule does not include the day observed as a holiday, shall be entitled to time off equal to the employee's normal workday, once the holiday leave has accrued.

C. Employees required to work on the day a holiday is observed shall be compensated at straight time for all hours actually worked and additional compensatory time at one and one-half times their usual hourly rate of pay.

D. Part-time employees whose normal work schedule does not include the day a holiday is observed shall not be compensated for the holiday.

E. Employees who have been charged absence without leave (AWOL) on the workday prior to or directly following a holiday shall not be paid for the holiday.

046.6.15 References

1.7.4 NMAC 1978, Pay

APPROVED: DATE:

PAMELA S. HYDE, J.D., Secretary 9/21/09