

## **Rule # 2-40**

### **Pay Administration**

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#### **§ 2-40-010 Purpose**

The purpose of this policy is to establish guidelines for setting pay on initial appointment and throughout employees' tenure with the County. This policy establishes standards for the equitable and consistent administration of pay practices across all County departments.

#### **§ 2-40-015 General**

This policy applies to all full- or part-time represented, management and executive employees; regular and temporary employees including limited duration, on-call and probationary employees, except elected officials and elected officials' staff. Employees will be compensated at pay rates within or at the minimums and maximums set for their job profiles. The following factors may be used when making pay decisions: seniority system, merit system, education, training, experience, or any combination of these factors as provided in these rules or a collective bargaining agreement. Compensation decisions for initial appointment to County employment will not be based on a candidate's current or prior compensation with current or former employers. Compensation includes wages, salary, bonuses, benefits, and fringe benefits.

#### **§ 2-40-020 Represented Employees**

Employees holding job profiles covered by a collective bargaining agreement can be regular, probationary, or limited duration employees. The following are basic pay practices for new hires, rehires and actions changing a represented employee's status.

- A. New Appointment and Rehire: New and rehired employees generally will be paid at the first (1st) step in their job profile's pay range except as elsewhere provided in these rules or a collective bargaining agreement. The anniversary or step increase date for new hires will be the date of appointment to a regular status position. The anniversary or step increase date for rehires will be the most recent date of appointment to a regular

status position. Anniversary or step increase dates will be adjusted for any additional seniority credit, such as credit for temporary or limited duration service in a job profile, when employees are hired from limited duration to regular status, immediately following service as a temporary or limited duration employee. Exceptions to this rule are governed by MCPR § 2-40-050 below or applicable collective bargaining agreements.

- B. Recall: Employees that are recalled from recall lists will be placed at the same pay rate, adjusted for any negotiated increases, as when they left, provided it is still within the current range. Anniversary or step increase dates will be adjusted for time absent from the job profile in excess of thirty (30) days if the employee has been continuously employed or recalled from a recall list.
- C. Reinstatement: Employees reinstated under MCPR 5-40 to the same job profile or to a previously held job profile, or if abolished to an equivalent job profile, and employees reinstated from a leave of absence, will return to the same pay rate last received plus any Board approved cost of living adjustments, provided the adjusted salary is within the current pay range.
- D. Promotion within a Bargaining Unit: Promoted employees will normally be paid at the step in the new pay range that is at least one (1) step above their current pay rate or the first (1st) step of the new range, whichever is greater, or as defined within the appropriate collective bargaining agreement. Promotional rates of pay must not exceed the maximum of the pay range. The anniversary or step increase date for wage increases will be the date of promotion.
- E. Promotion to a Job Profile in a Different Bargaining Unit: Employees promoted from a job profile in one bargaining unit to a job profile in a different bargaining unit will normally be paid at the step in the new pay range that is the equivalent to at least one (1) step above their current pay rate or the first (1st) step of the new range, whichever is greater, or as defined within the appropriate collective bargaining agreement. A one (1) step increase is defined as the percentage difference between the final two (2) steps of the range for the lower job profile. Promotional rates of pay must not exceed the maximum of the pay range. The anniversary or step increase date for wage increases will be the date of promotion.
- F. Transfer: An employee transferred to a job profile with the same pay range will receive no change in pay. If the new job profile has the same top step, but different lower steps than the former job profile, the rate of pay will be adjusted to the closest step that does not result in a decrease in pay. The anniversary or step increase date does not change upon transfer.
- G. Demotion: Employees demoted for reasons other than disciplinary, will receive the rate of pay in the lower pay range that causes the least reduction in base pay. Employees

demoted for disciplinary reasons will be paid at a step in the lower job profile that results in a pay decrease. In no case will the employee's new pay rate be below the first (1st) step of the job profile to which they are voluntarily or involuntarily demoted. The anniversary or step increase date for wage increases will be the date of demotion or if demoted during promotional probation, the date in effect prior to the promotion.

#### H. Reclassification

1. Downward Reclassification: If a downward reclassification of a position causes an employee's pay rate to be higher than the maximum rate of the new job profile, the employee's pay rate will be frozen until the pay range increases sufficiently so that the employee is no longer paid above the maximum rate. When the employee's pay is frozen, the employee is ineligible to receive pay adjustments or annual increases until the pay range exceeds the employee's frozen rate of pay. If the employee's rate of pay is the same as a step in the new pay range, there will be no change in pay. If the employee's rate of pay is within the new range, but does not match a step in that pay range, the employee's rate of pay will be adjusted to the next highest step rate.
2. Upward Reclassification: If an upward reclassification causes an employee's pay rate to be below the minimum step for the new job profile, the rate will be adjusted to the first (1st) step in the new pay range. If the employee's rate of pay does not correspond to any step in the new range, the rate will be adjusted upward to the next highest rate of pay in the new pay range. If the rate of pay is the same as the rate within the new pay range, there will be no change in the employee's pay rate.
3. An employee's anniversary or step increase date does not change upon reclassification.

#### I. Work-Out-of-Class Assignment

1. Approval for work-out-of-class assignments and pay must be supported by a written summary of the duties to be assigned and is subject to the review and approval by the Department Human Resources Unit.
2. Employees who are temporarily assigned to work-out-of-class in writing by their manager to perform a majority of the principal duties of a higher level job profile will receive work-out-of-class pay in accordance with the applicable collective bargaining agreement.
3. Employees who are temporarily assigned to work-out-of-class in writing by their manager to perform a majority of the principal duties of a lateral or lower level job profile will receive no change in pay.

4. Employees who are temporarily assigned to work-out-of-class in writing by their manager to a non-bargaining unit job profile will receive pay in accordance with MCPR § 2-40-030(E), Promotion.
5. Pay will return to the pre-assignment rate once the work-out-of-class assignment has been completed, with the addition of any regularly scheduled cost of living adjustment or step increases.

#### J. Limited Duration Appointment

1. Limited Duration appointments may only be to positions that have been allocated to a job profile by Central Human Resources. Limited Duration positions must be filled in accordance with MCPR § 5-30 and MCPR § 5-40, and are subject to the review and approval by the Department Human Resources Unit.
2. Limited Duration appointments to a higher level job profile will receive pay in accordance with the applicable collective bargaining agreement.
3. Limited Duration appointments to a lateral or lower level job profile will receive no change in pay.
4. Limited Duration appointments to a non-bargaining unit job profile will receive pay in accordance with MCPR § 2-40-030(E), Promotion.
5. Pay will return to the pre-assignment rate once the Limited Duration appointment has ended, with the addition of any regularly scheduled cost of living adjustment or step increases.

K. Trainees: Employees hired as trainees will be paid at a rate consistent with MCPR § 5-30-030 and applicable collective bargaining agreements.

### **§ 2-40-030 Management and Executive Employees**

Management and executive employees are defined by MCPR § 2-15. The following are basic pay practices for new hires, rehires, and actions changing a management or executive employee's status.

#### A. New Appointment

1. Newly hired and rehired employees are to be paid between or at the minimum and midpoint in the pay range. When justified under MCPR § 2-40-050, the Appointing Authority may approve a higher rate not to exceed the maximum of the pay range.
2. Upon receiving written justification from an Appointing Authority documenting failed recruitment, the Multnomah County Chief Human Resources Officer

(CHRO) may grant exceptions to offer a pay rate that exceeds the grade maximum set for the job profile. If an employee's pay exceeds the maximum of the pay range, pay will be frozen at the existing rate until the pay range is higher than the employee's rate of pay.

- B. Retention: Upon receiving written justification from an Appointing Authority documenting the reasons for retaining a management/executive employee considering leaving County employment, the Multnomah County CHRO may grant exceptions to offer a pay rate that exceeds the grade maximum set for the job profile. If an employee's pay exceeds the maximum of the pay range, pay will be frozen at the existing rate until the pay range is higher than the employee's rate of pay.
- C. Recall: Employees recalled from recall lists will return to the same rate of pay last received plus any Board approved cost of living adjustments, provided the adjusted salary is within the current pay range.
- D. Reinstatement: Employees reinstated under MCPR 5-40 to the same job profile or to a previously held job profile, or if abolished to an equivalent job profile, and employees reinstated from leaves of absence will return to the same rate of pay last received plus any Board approved cost of living adjustments, provided the adjusted salary is within the current pay range.
- E. Promotion: Promoted employees will receive an increase of at least five percent (5%) above their current rate of pay, but not to exceed the maximum of the pay range.
- F. Transfer: An employee transferred to a job profile in the same pay range will receive no change in pay.
- G. Demotion: Except for executive employees within the Multnomah County Sheriff's Office, employees demoted for reasons other than disciplinary, and whose pay is within the pay range of the new job profile, will retain their same rate of pay. Employees demoted for reasons other than disciplinary and whose pay exceeds the maximum of the new pay range will be paid the maximum of the new pay range when the demotion is occurring via a non-competitive process and only if the pay placement is supported under [Oregon's Equal Pay law](#). Employees demoted for disciplinary reasons will receive a rate of pay in the lower pay range of the new job profile specified that aligns with the disciplinary action taken. Voluntarily and involuntarily demoted employees' rates of pay will not be below the minimum of the pay range for their new job profiles. For a demotion of an executive employee in the Multnomah County Sheriff's Office, the Sheriff has the sole discretion to make pay decisions, within the assigned pay range for the new position, within the Multnomah County Sheriff's Office.

## H. Reclassification

### 1. Downward Reclassification

Employees in positions reclassified downward to a job profile with a lower pay range will receive no change in pay. If an employee's pay exceeds the maximum of the lower pay range, pay will be frozen at the existing rate of pay until the new pay range is higher than the employee's rate of pay.

### 2. Upward Reclassification

Employees in positions reclassified upward will follow the rules for promoted management and executive employees. If an employee is paid within the range of the new job profile, pay may be adjusted but not to exceed the maximum of the new pay range.

### 3. When a pay range is adjusted for a job profile, the effect on an employee's pay will be the same as a reclassification downward or reclassification upward.

## I. Market Adjustment

When the pay range is adjusted for an existing job profile as the result of a market study, the effect on an employee's pay will be an adjustment to the new range minimum if needed. If an employee's rate of pay falls within the new range there will be no immediate change in pay. This provision will be governed by the applicable collective bargaining agreements.

## J. New Job Profile

When a new job profile is created as the result of a market study, impacted employees will enter the job via a reclassification and the effect on an employee's pay will be the same as a reclassification. This provision will be governed by the applicable collective bargaining agreements.

## K. Work-Out-of-Class Assignment

1. Except for "FLSA non-exempt" management employees under the [Fair Labor Standards Act \(FLSA\)](#), work-out-of-class assignments are for at least five (5) consecutive days and may not exceed twelve (12) months in duration. Approval for work-out-of-class assignments and pay must be supported by a written summary of the duties to be assigned and is subject to the review and approval by the Department Human Resources Unit.
2. Employees who are temporarily assigned to work-out-of-class in writing by their manager to perform a majority of the principal duties and functions of a higher

level job profile, may, at the discretion of the Appointing Authority, receive a pay rate of no less than the minimum, and no more than the maximum rate for the higher job profile. The higher rate shall be paid effective on the first (1st) official day of work in the higher job profile.

3. Employees who are temporarily assigned to work-out-of-class in writing by their manager to perform a majority of the principal duties and functions of a lateral or lower level job profile will receive no change in pay.
4. Pay will return to the base rate once the work-out-of-class assignment has been completed, with the addition of any regularly scheduled cost of living or merit increases.

#### L. Limited Duration Appointments

1. Limited Duration Appointments may not exceed two (2) years in duration. Limited Duration positions must be filled in accordance with MCPR § 5-30 and MCPR § 5-40, and are subject to the review and approval by the Department Human Resources Unit.
2. Limited Duration appointments to a higher level job profile will receive pay in accordance with MCPR § 2-40-030(D) Promotion.
3. Limited Duration appointments to a lateral or lower level job profile will receive no change in pay.
4. Pay will return to the base rate once the Limited Duration appointment has been completed, with the addition of any regularly scheduled cost of living or merit increases.

M. Trainees: Employees hired as trainees will be paid at a rate consistent with MCPR § 5-30-030.

#### N. Merit Increases

1. Merit pay increases may be awarded effective July 1 of each fiscal year consistent with any limits or procedures established by the Chair. Management and Executive employees covered by these rules may be awarded merit pay up to the maximum of their job profile's pay range if the employee's annual Performance Planning and Review (PPR) has been completed. Management employees are eligible for merit increases in base pay up to three percent (3%), unless the Chair approves a different amount. The Chair will establish the annual merit increase for executive employees.

2. Employees whose annual PPR has not been completed will not receive a merit increase on July 1. Merit pay up to the maximum of their job profile's pay range may be awarded once the employee's annual PPR has been completed. Exceptions may be made by the Department Director with approval from the Multnomah County CHRO. Managers who fail to complete PPRs for the employees they manage will not be eligible for a merit increase on July 1.
3. Employees who are initially hired or promoted into positions during the three (3) months prior to July 1 are not eligible for merit pay increases until the following July 1.

#### O. Special Pay Provisions

Incentive/bonus payments are taxable income and all applicable payroll taxes will be deducted.

##### 1. Outstanding Performance Pay

- a. The Appointing Authority may authorize payment for outstanding contribution to an individual employee or a team of employees subject to final approval by the Multnomah County CHRO or their designee. The Chair may limit the amount of incentive payment that may be granted. A recognition bonus payment may be authorized for an outstanding professional contribution to the business operations of the County or the residents of the County. Such bonus payments must be made within budgeted funds and documented in the employee's personnel file. Recognition bonus payments are not added to the employee's regular pay rate.
- b. There must be compelling reasons to award bonus payments that recognize contributions outside of the employee's normal job functions and established goals that will or would be viewed as exceptional public service in the eyes of the general public or the County's executives.
- c. General criteria include but are not limited to:
  - i. Solutions or outcomes are positive, constructive and address problems, inefficiencies, productivity, and operational performance in the workplace.
  - ii. Solutions are aligned with the organization's mission and save time or money, or both.
  - iii. Solutions improve customer service for clients, citizens and/or stakeholders.

- iv. Cost savings are measurable and reduce duplication/redundancy; conserve resources; and streamline or simplify a key process.
  - v. The solution is outside of one's normal job functions.
- d. Some examples include:
- i. A team of division employees develop and implement an innovative recycling strategy and program that saved the division fifteen thousand dollars (\$15,000) in waste and reduced its temporary staffing needs by 2.5 FTE.
  - ii. A manager is acknowledged for her creation of a volunteer wellness program for her teams and over a two (2) year period, sick leave usage and absenteeism are reduced by thirty percent (30%) with employee overall satisfaction with the program and their work environment rated at ninety-four percent (94%) and ninety-two percent (92%) respectively.

## 2. Special Pay Adjustments

- a. The Appointing Authority may authorize a special adjustment to an employee's pay rate subject to final approval by the Multnomah County CHRO. Such pay adjustments must be within the pay range for the employee's job profile and will be based upon exceptional performance over time or the factors listed in § 2-40-050 below: current salary may be taken into consideration.
  - b. Employees failing to receive a "goals met" evaluation are not eligible for a special salary adjustment.
3. Premium Pay: Central Human Resources has the authority to establish premium pay for management job profiles as appropriate due to specialty assignments or the possession of required certifications. The Department HR Manager is responsible for approving the use of premiums based on an employee's specialty assignment or required certification.

### **§ 2-40-040 General Salary Adjustment**

When the Board authorizes a general salary adjustment, except those frozen in pay above the maximum of the job profile's pay range, executive and management employees will receive the percentage adjustment to their pay rate up to the maximum of their salary range. Represented employees will receive salary adjustments negotiated in the applicable collective bargaining agreement.

## **§ 2-40-045 Incentive and Bonus Payments**

Subject to these rules and completion of bargaining obligations with the applicable designated bargaining unit, the Appointing Authority may authorize an incentive or bonus payment to an individual employee subject to final approval by the Multnomah County CHRO or their designee, subject to the following:

- A. The Chair may limit the amount of an incentive payment that may be granted.
- B. Incentive/bonus payments must be made within budgeted funds and documented in the employee's personnel file.
- C. Incentive/bonus payments are installment(s) that do not permanently increase the employee's regular rate of pay.
- D. The reason(s) for the incentive/bonus payment must be outside of an employee's normal job functions.
- E. Incentive/bonus payments are taxable income and all applicable payroll taxes will be deducted.
- F. Some examples include:
  - 1. An employee referral incentive on positions for which there are documented recruitment issues as determined by the Appointing Authority.
  - 2. A hiring bonus on positions for which there are significant and documented recruitment and/or retention issues as determined by the Appointing Authority.

## **§ 2-40-050 Pay Exceptions Upon Initial Appointment**

Subject to these rules and applicable collective bargaining agreements, Appointing Authorities are responsible for ensuring that pay rates are within the job profile pay range and will use the following criteria to justify exceptions upon initial appointment. Any exception must remain within the existing pay range.

- A. Market rates for similar jobs in the community;
- B. Additional relevant experience and/or training of the individual;
- C. Pay relationships within the unit or department;
- D. Available funds to finance the salary; and
- E. The action must appear prudent to the public.

### **§ 2-40-060 Elected Officials' Staff**

Elected officials will set pay levels and compensation for persons who report directly to them and serve at their pleasure in consultation with Human Resources to ensure that pay is consistent with the level and type of job held. Pay rates for such persons are limited by funds allotted for the positions and are not covered by these rules. Compensation decisions for initial appointment to County employment will not be based on a candidate's current or prior compensation with current or former employers. Compensation includes wages, salary, bonuses, benefits, and fringe benefits.

### **§ 2-40-070 Temporary and On-call Employees**

Temporary and on-call employees must be appointed to the appropriate job profile and paid at the first (1st) step or the beginning of the pay range for their job profile. Payment above the beginning of the job profile's pay range must be approved by the Department Human Resources Manager and must be within the job profile's pay range. All payment outside of the job profile's pay range or to a job profile that has no assigned pay grade (Temporary Worker, JCN 8000) must be approved by the Multnomah County CHRO.

### **REFERENCES**

[Oregon's Equal Pay Act](#)

[Fair Labor Standards Act \(FLSA\)](#)

MCPR 2-15 Employee Status

MCPR 5-30 Appointments

MCPR 5-40 Appointment Procedures