

IN GRADE PAY

Policy:

It is the policy of the Adjutant General's Department to comply with State and Federal minimum wage, and to provide permanent or temporary in-grade pay increases for State employees for qualifying reasons by allowing the Adjutant General to move *classified regular* employees from one step to another step on the same pay grade upon the approval of the Department of Administration and move *unclassified* employees within their designated pay range upon approval of the Governor.

Comment:

- (1) In rare and compelling circumstances State employees *may* receive pay increases for qualifying reasons within the parameters described below.
- (2) In-grade increases are to be the exception, not the rule.
- (3) Such increases may be permanent or temporary, depending on the reason for the action.
- (4) In-grade pay increases are not to be used for:
 - (a) Pay for performance.
 - (b) Bonuses or awards, since these are one-time issues and in-grade increases affect an employee's rate of pay.
 - (c) Where a classification and compensation study action is more appropriate.
- (5) Qualifying Reasons for Permanent in-grade pay increases are:
 - (a) Correct pay inequities that could result from any number of circumstances. As an example -- the need to adjust the salary of a long-term and productive employee who has seen newer employees appointed to a higher step because of "exceptional qualifications," promotional policies, or voluntary demotions.
 - (b) Counter an offer by another employer when they offer** a valued employee an increase in pay. *This "competition" would not include another State of Kansas agency that offers a legitimate promotional opportunity.* Managers should consider whether such an increase would create other inequities in the work unit and balance that factor when deciding whether to request this type of increase.
*** May be required to provide written documentation and/or submit a written resignation.*
 - (c) Retain a valued employee who would otherwise retire.
 - (d) Adjust salaries to, or close to, "market" without the need for a protracted study. (These adjustments should only be considered when there is compelling need and when the number of affected employees is small. Formal classification and salary study action is more appropriate in those instances in which salary adjustment is needed for a large number of employees.)
 - (e) Compensate an employee for obtaining a license, certification, or other type of credential critical to the agency's operation. Such instances should be rare and not constitute any type of bonus program.
 - (f) Compensate an employee for stepping up to more challenging responsibilities without having to reallocate to a higher class or create a new level of classification when one does not currently exist. This is not pay for performance -- it is pay for managing more responsibilities or such as filling in a vacant position or more complex and demanding responsibilities.

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(6) Qualifying Reasons for Temporary in-grade pay increases are:

- (a) Compensate an employee for temporarily stepping up to more challenging responsibilities without having to temporarily reallocate to a higher class or make an acting assignment. Again, this is not pay for performance; it is pay for managing more complex and demanding responsibilities.
- (b) Compensate for conditions of employment that may create a hardship for an employee, such as travel.
- (c) Provide geographic or language pay differentials.

A temporary in-grade pay increase must be for a minimum of two pay periods. Written notification to the employee is required if the increase is to be temporary. Such notice should clearly spell out the circumstances for which the temporary increase is being provided and must include the duration of the temporary increase and explain that the employee will be returned to his or her former step once the temporary circumstances are over.

A temporary in-grade increase may be extended or changed to a permanent increase when circumstances change and the agency has submitted and received approval for the action. Submit these requests in the same format as the temporary in-grade pay increase.

For the purposes of step movement, time spent on a higher step for a temporary classified in-grade pay increase shall count toward the time-on-step requirements of the step from which the employee is moved.

(7) Returning from Temporary Increase.

- (a) If an employee changes positions for any reason, an agency must return the employee to the salary step/wage the employee was on prior to the temporary increase unless:
 - (i) Across-the-board classified salary step movement/unclassified merit was authorized during the term of the temporary increase, in which case the employee would be placed at the appropriate classified salary step based on time-on-step requirements/unclassified wage; or
 - (ii) The agency seeks and receives approval for another separate in-grade pay increase action (either permanent or temporary) based on the circumstance of the position to which the employee is moved.
- (b) If neither of the two conditions above applies, the classified employee must be returned to his or her prior step/unclassified employees must return to their comparable wage and then, as appropriate:
 - (i) Be retained at that salary level if the move is a transfer.
 - (ii) Have his or her salary increased in accordance with K.A.R. 1-5-13 and agency policy/practice if the move is a promotion.
 - (iii) Retain or have his or her salary decreased in accordance with K.A.R. 1-5-15 and agency policy/practice if the move is a demotion.

(7) If a classification salary study action results in a change in the pay grade for any employee receiving a temporary in-grade increase, the conditions for the in-grade increase must be revisited/reconsidered.

(8) In order to extending a Temporary or Permanent in grade pay increase. A new request must be submitted.

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- (9) An in-grade pay increase should only be given to an employee who is being transferred (i.e. moved to another position in the same or similar job classification on the same pay grade as the employee's current position) when:*
- (a) The transfer (within the same agency or to a different agency) requires an employee to move his or her residence and, without an increase in pay, the employee would lose money.
 - (b) The transfer is within the same agency and, even though the work could officially (by classification standards) be considered to be the same, the agency places a premium on the work/position to which the employee is being transferred.
- *In-grade pay increases for transferred employees may be either permanent or temporary depending upon the reason for which the increase was given.
- (10) The effective date will be the first date of the pay period in which the request is received or a future pay period as requested by the agency.
- (11) In-grade pay increases are to be funded within an agency's existing budget. Examples of how agencies could pay for these increases include:
- (a) Leaving positions open or eliminating positions, as they become vacant.
 - (b) Downgrading vacant positions.
 - (c) Using monies saved by filling vacant positions at a lower salary step, paying less than what was paid to previous incumbents.
- (12) No classified employee is to be moved to a dollar amount beyond step 15 of the pay grade to which the employee's position is currently assigned and no unclassified employee will be moved to a dollar amount beyond the maximum assigned to the respective job title.

Process:

- (1) In-grade pay increase Requests are to be submitted on the State Employee In-Grade Pay Increase Request Form and submitted to and endorsed by the respective program or department director.
- (2) The request is then submitted to the agency State Human Resource Director (SHRD). The SHRD will review the request to ensure its completeness and compliance with the executive directive and agency policy requirements and forward the request to a committee comprised of the Special Assistant to The Adjutant General (TAG) or designee, the Comptroller and one other senior manager appointed by the TAG for a designated period of time. In addition, up to three (3) senior managers will be selected by the TAG to serve as back-ups to ensure an informed committee of three is available to act on a request in a timely manner.
 - (a) The committee may request additional information or clarification on requests, past practices, etc. in order to make sound informed decisions.
- (3) The committee will recommend to the Adjutant General or designee whether the request should be

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submitted to the Department of Administration or the Governor's Office and the amount of the increase.

- (4) When the agency decision has been made the original documents with the written decision will be returned to the SHRD for the external required approvals, processing of approved increases and/or notification to the respective director/program manager of the final approval or denial of the request. The external clearance actions are:
 - (a) Approval from the Department of Administration's Division of Budget and the Division of Personnel Services for *classified* employees.
 - (b) *Unclassified* wages must be requested and approved by the Governor's Office.
- (5) Any employee, who feels he or she has been disadvantaged by not receiving an in-grade pay increase when others do, or by not receiving a comparable increase when circumstances are comparable, is encouraged to discuss the matter with their supervisor or manager. An employee may also file a grievance within the agency to obtain an equitable outcome or an appropriate hearing and/or response. (See DISPUTE RESOLUTION)