

Salary Range Revision

Definition Salary Range Revision is any change in a salary range approved by the State Personnel 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 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 Amount of Increases 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.

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Salary Range Revision, Continued

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

Minimum Salary Increase for SR Revision 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 Increase to HR or 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 performance or personal conduct, the increase may be given on a current basis if/when the issue is resolved.

Optional Salary Increases for SR Revision 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.

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.

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Salary Increase Authorization Canceled 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.

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 SMR 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.

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**Special
Minimum Rate
(SMR)**

When critical recruitment or employee retention problems are officially recognized by the State Personnel 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.

SMR's are established as a dollar amount above the minimum rate. When implemented, this becomes the new minimum rate for that class.

A maximum in-grade adjustment is established (MIA) for the purpose of granting increases to employees whose salaries are within the range. Initially, this is the difference between the minimum rate and the SMR. (If a new SMR is established, the MIA increases by the difference in the old SMR and the new SMR.)

Priority for salary increase shall be given to employees whose salaries are below the SMR. Salary increases shall not be given to employees whose performance or personal conduct is not at a satisfactory level. Salary increases are not entitlements and all are subject to the availability of funds.

Advisory Note: Retention Increases - There are times when a retention adjustment is needed prior to the implementation of a SMR and is approved with the understanding that it will be subtracted from the MIA when implemented. If there is justification to do otherwise, it must be handled as an exception.

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When an agency implements a SMR, salary increases, not to exceed the maximum of the range, may be given in accordance with the following:

If an employee's current salary is:	it may be:	effective on:
at the minimum,	increased to the special minimum rate (SMR)	the date SMR implemented. *
above the minimum,	increased up to the dollar amount authorized by the maximum in-grade adjustment (MIA)	a current basis-as funds become available.

*If funds are not available on the date the agency implements the SMR, but become available later, the increase to the SMR may be retroactive.

Additional SMR's

If a higher SMR is authorized for a class that already has a SMR, the employee may receive an increase up to the dollar amount authorized between the old MIA and the new MIA. The employee may also receive a prior documented MIA balance that has not been given due to lack of funds, etc.

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.

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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).

Reallocation Down, Demotion or Reassignment: When an employee is reallocated down, demoted or reassigned from a class with a SMR to a class without a SMR, the authorization to grant MIA balances is canceled.

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 State Personnel 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 State Personnel Director may authorize a higher salary range for a specific location.

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.

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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.
