

POLICY  
**MEMORANDUM**

MISSISSIPPI STATE PERSONNEL BOARD

**Policy Memorandum No. 2 - FY 1995**

Revised May 23, 1994

**TO:** Elected Officials, Agency Directors and Personnel  
Officers State Service Agencies

**FROM:** J.K. Stringer, Jr.  
State Personnel Director

**DATE:** April 22, 1994

**SUBJECT: ADMINISTRATION OF THE VARIABLE COMPENSATION  
PLAN FOR FISCAL YEAR 1995**

**A. Statement of Purpose**

Administration of the Variable Compensation Plan for Fiscal Year 1995 shall be governed by policies and procedures in this memorandum. These provisions shall supercede all conflicting policies and procedures for administration of salaries published in Mississippi State Personnel Board Policy and Procedures Manual, any additional or replacement manuals, and all subsequent changes to the manual, effective close of business June 30, 1994, and shall become an official attachment to the Mississippi SPB Policy and Procedures Manual for Fiscal Year 1995.

The increase or decrease of any employee's salary statutorily under the salary setting authority of the State Personnel Board shall comply with the policies below, except where the Legislature may otherwise provide, and except that salary policies for specific upper level employment positions shall be set forth separately in the Policy Memorandum No. 4, Executive Service Policy and Procedures for Fiscal Year 1995.

The development of the following policies is based upon implementation of legislative intent as expressed in the following language contained in each state service agency's appropriation act:

From the funds provided in the budget category "Personal Services: Salaries, Wages and Fringe Benefits," funds may be expended for the following purposes, in compliance with policies established by the State Personnel Board and any conditions placed on such expenditures:

- (a) The components of the Variable Compensation Plan shall be maintained within the constraints of the funds appropriated herein.

- (b) Funds shall be used to fund the "Realignment" component at the requirement established by the State Personnel Board.
- (c) Subsequent to the application of Realignment, as specified in Subparagraph (b) above, funds shall be used to provide all eligible state employees a Five Hundred Dollar (\$500.00) "In-Service" COLA salary increase over their annual base salary effective July 1, 1994. If an employee is currently at end step for his or her position, or should this salary increase cause an employee's salary to exceed end step, that portion of the increase exceeding end step shall be paid as a one time longevity payment.
- (d) All state employees employed on or before July 1, 1993, shall receive a one percent (1%) salary increase on the first day of the month following their anniversary hire date. If an employee is at end step for his or her position on the anniversary date, or should this salary increase cause an employee's salary to exceed end step, that portion of the increase exceeding end step shall be paid as a one time longevity payment.
- (e) Under the "Executive Compensation" component, no individual salary may be increased by more than Five Thousand Dollars (\$5,000.00) during the fiscal year.
- (f) Funds may be expended for upward reallocations or realignments authorized by the State Personnel Board that are necessary to fill bona fide staffing needs that cannot be adequately addressed through normal budget procedures, as determined by the State Personnel Board, but only upon written certification by the State Fiscal Officer that adequate funds are available.
- (g) Funds may be expended to advance to start step any employee who is being paid at a rate below start step on July 1, 1994, as a result of limitations provided in the agency appropriations acts for Fiscal Year 1994, at the discretion of his or her agency head.
- (h) Funds may be expended for making corrective salary adjustments, upon the recommendation of the agency head and pursuant to policies established by the State Personnel Board, in those cases where application of the twenty percent (20%), ten percent (10%), and five percent (5%) salary limitations provided in agency appropriations acts for Fiscal Year 1994 resulted in awarding one employee a greater salary increase than received by another employee within the same agency with the same job classification series and greater longevity.
- (i) Funds may be expended for making corrective salary adjustments in those cases where application of certain salary limitations in Fiscal Year 1994 appropriations acts prevented employees from receiving the full pay increase allowable under budgeted upward reallocation. Any such corrective salary adjustments shall be approved by the State Personnel Board and shall be made without regard to the twenty percent (20%), ten percent (10%), and five percent

(5%) pay caps.

**B. Coverage of These Policies**

1. These policies shall govern employee salary increases and position changes for:
  - a. State service employees and positions, and
  - b. Non-state service employees and positions excluded from the state service by Miss. Code Ann. Sec. 25-9-107© but subject to State Personnel Board salary-setting authority as listed below:
    - (1) Part-time employees and positions [Refer, Miss. Code Ann. Sec. 25-9-107(c)(xi)];
    - (2) Persons appointed on an emergency basis [Refer, Miss. Code Ann. Sec. 25-9-107(c)(xii)];
    - (3) Time-limited employees and positions [Refer, Miss. Code Ann. Sec. 25-9-107(c)(xiv)];
    - (4) Administrative officers, deputies, bureau chiefs, and directors and their positions [Refer, Miss. Code Ann. Sec. 25-9-107(c)(xvi)].
2. Those upper level employment positions specifically designated for inclusion in the Executive Service shall have their salaries governed in Policy Memorandum No. 4, Executive Service Policy and Procedures for Fiscal Year 1995.
3. Agencies or positions with statutory exclusion (not under the salary setting authority of the State Personnel Board and not subject to the compensation policies in this memorandum) are listed below:
  - a. Non-state service agencies [Refer, Miss. Code Ann. Sec. 25-9-107(c)(I)(ii)(iii)(iv)(vii)(viii)(xvii)] and
  - b. Non-state service occupations [Refer, Miss. Code Ann. Sec. 25-9-107(c)(v)(vi)(ix)(xiii)].
4. Salaries set by statute (including the Omnibus Pay Bill) shall be implemented strictly in accordance with legislative intent [Refer, Miss. Code Ann. Sec. 25-3-33, and Sec. 25-3-35].

**C. Scope of State Personnel Director's Authority**

**1. Requests for State Personnel Board Action**

All requests for State Personnel Board action under the Variable Compensation Plan Policy Memorandum No. 2 - Fiscal Year 1995 shall cite the section of the policy memorandum

which authorizes such request and action by the State Personnel Board. Each request for a salary increase shall include a fully completed copy of the Funds Certification Form (Form SPB 309-88) signed by the agency head, except that realignment and reallocations implemented at conversion which have been specifically appropriated to by the Legislature need not be accompanied by a Funds Certification Form. The State Personnel Director shall implement only those salary increases provided for in the appropriation bills for Fiscal Year 1995, which are identified in Section B above, and which are appropriately submitted. **In no case shall a salary increase or other action result in exceeding the end step of the incumbent's job classification.**

## **2. Salary increases which exceed the Agency Head**

Requests for salary increases which exceed the agency head's salary must be presented in advance for approval by the State Personnel Board.

## **3. Limitations on Non-Budgeted Reallocations/Realignment Authority**

Agencies which misclassified positions shall include requests for reallocation **in their Fiscal Year 1996 budget request**. However, each agency head shall have the opportunity to document the need for a non-budgeted reallocation/realignment by demonstrating that a bona fide staffing need exists which cannot be adequately addressed through normal budget procedures. The State Personnel Board may authorize upward reallocations or realignments necessary to fill the staffing need only upon written certification by the State Fiscal Officer that adequate funds are available [Refer, Mississippi SPB Policy and Procedures Manual, Section 5.03.2]. Requests for upward reallocations shall be **signed by the agency head** and must be submitted in accordance with Section D.2.b. of this policy and the procedures as outlined in the Mississippi SPB Policy and Procedures Manual. The State Personnel Director shall evaluate the requested classification and the effect of delayed implementation and shall make recommendations to the State Personnel Board as to the action to be taken on the request. When a request for an upward reallocation has a Start Step Differential between the two classes of twenty (20) steps or less, and the new start step is less than Step 335, the State Personnel Director may approve the action. However, if an upward reallocation request has a Start Step Differential of more than 20 steps or the new start step is greater than Step 335, the State Personnel Director shall make recommendations to the State Personnel Board as to the action to be taken.

## **4. Special Compensation Plans**

Authorization to implement special compensation plans during Fiscal Year 1995 shall be limited. Only special compensation plans reviewed **prior to the start of Fiscal Year 1995** and approved by the State Personnel Board for implementation or continuation during the fiscal year shall be certified.

## **5. Educational Benchmarks**

The State Personnel Director is authorized to certify requests to award educational

benchmark increases on a case by case basis. In order to be eligible for an educational benchmark salary increase, an employee must complete requirements which exceed the level of minimum qualifications for education, licensure, or certification listed for the employee's present job class which the employee possessed at the time of appointment into his or her present job class. **Educational Benchmark awards are restricted to one (1) year from the date the incumbent acquired certification, completed degree requirements, or attained licensure.** Increases of up to ten (10) steps may be awarded to employees acquiring certification, completing degree requirements, or attaining licensure directly related to their jobs. If the employee being awarded an Educational Benchmark is currently at end step for his or her position, or should the benchmark cause an employee's salary to exceed end step, that portion of the benchmark exceeding end step shall be paid as a one time lump-sum payment. In fully documented extraordinary circumstances, the State Personnel Board may increase benchmark awards by granting additional steps. Any new hire flexibility, recruitment flexibility, or other discretionary compensation awarded for or in anticipation of future educational achievement, licensure, or certification shall not result in a subsequent award of an educational benchmark for the same achievement. An employee who did not receive an educational benchmark increase for initial attainment of a certification may receive a one-time increase upon attainment of recertification. For example, an educational benchmark increase may be awarded to an accountant who acquires certification as a CPA. Requests shall be submitted in accordance with procedures outlined in the Mississippi SPB Forms and Procedures Manual.

## **6. Additional Compensation**

Certification of additional compensation shall be limited to those forms of additional compensation previously approved by the State Personnel Board with the exception of call-back/overtime pay and any other form of compensation that may be subject to the Fair Labor Standards Act during Fiscal Year 1995. The State Personnel Board shall consider other requests for additional compensation where the request is justified as an emergency by demonstrating that delayed implementation would seriously impair critical agency operations. The State Personnel Director shall not consider new requests to undertake additional compensation not currently authorized except as an emergency or as part of the Fiscal Year 1996 budget request.

## **7. Authority to Reclassify Within Class Series**

In certain limited circumstances, agency heads may be granted authority by the State Personnel Board to reclassify positions within class series. Such authority removes the requirement that each individual reclassification transaction be separately justified. This authority shall expire at the end of each fiscal year unless continuation is adequately justified. Reclassification of an employee from Correctional Officer Trainee to Correctional Officer I after six months training or from Academic Teacher I to Academic Teacher II with acquisition of AA certification illustrates this type of authorization. Each year on a date prior to fiscal year conversion, the State Personnel Board allows each agency to submit requests for changes to, or continuation of, their authorized schedule of reclassifications.

## **D. Policy Provisions for implementation of Legislative Intent**

**1. General Salary Increases  
(In-Service (COLA) and Regular Realignment Increases)**

- a. Realignments of job classes approved through the budget process at the requirement established by the State Personnel Board is mandatory at 100% parity, within the established pay range of the job class.

Paragraph (g) of the appropriations language allows employees paid at below start step on July 1, 1994, as a result of the Fiscal Year 1994 salary limitations, to be advanced to start step at the discretion of the agency head prior to the application of Realignment. Prior to June 1, 1994, the State Personnel Board will provide each agency with a listing of all positions eligible to be brought to start step, with instructions to denote which positions are **not** to be advanced.

- b. Employees under Section B.1 and B.2, whether in a job class being realigned or not, will receive a Five Hundred Dollar (\$500.00) "In-service" COLA salary increase over their annual base salary. This increase will be subsequent to the application of Realignment if the job classification is recommended for Realignment.

In-Service (COLA) will round up to the nearest step to ensure that all employees receive the mandated \$500.00. This will cause the In-Service (COLA) to exceed an exact \$500.00 in many cases.

Employees at, or beyond, end step will receive the \$500.00 In-Service (COLA) in the form of a one-time lump sum longevity payment, no later than December 31, 1994. Should the In-Service (COLA) cause an employee to exceed end step, that portion which exceeds will be awarded as a one-time lump sum payment.

- c. Position Employee Profile (PEP) Forms transmitted to each agency on or about July 1, 1994 will reflect the award of these increases for eligible employees.
- d. Effective July 1, 1994, the State Personnel Board will begin to automatically implement the one percent (1%) salary increase for those employees hired on or before July 1, 1993. The salary increases will be awarded on the first day of the month following the employee's anniversary hire date. Eligible employees whose anniversary dates fall within the month of June will receive the one percent (1%) increase effective July 1, 1994. If an employee is at end step for his or her position on the anniversary date, or should this salary increase cause an employee's salary to exceed end step, that portion of the increase exceeding end step shall be paid as a one time longevity payment.

**2. Reallocations**

- a. Appropriate Reallocations

In accordance with Legislative intent, appropriated reallocations will be effective

July 1, 1994. Except as otherwise provided in this policy, only those reallocations which were approved in the Fiscal Year 1995 Budget Request and approved during the appropriation process shall be submitted by the agency to the State Personnel Board as a complete package in accordance with the following policies:

- (1) Each agency shall provide to the State Personnel Board by May 9, 1994:
  - (a) A list of positions approved by the Legislature for reallocation which the agency intends to implement in Fiscal Year 1995. This list will consist of all positions by PIN number, the current OCCU number and title, and the OCCU number and title to which the reallocation was authorized.
  - (b) For filled positions, an Experience and Training Record (either an original or a copy initialed by the Personnel Director) completed and signed by the incumbent with the most current, original Position-Employee-Profile (PEP) Form stapled to the front.
- (2) For positions requiring written and/or proficiency examinations, individuals meeting the experience and training requirements as reflected in the Experience and Training Record submitted will be scheduled for their examinations by the State Personnel Board during the week of May 16-20, 1994, at the State Personnel Board. Make-up tests will be administered during the period of May 23-27, 1994. Only those individuals achieving a passing score prior to July 1, 1994, will be reallocated.
- (3) For filled positions not requiring written and/or proficiency examinations, only those individuals meeting the minimum qualifications as reflected in the Experience and Training Record submitted will be reallocated.
- (4) In those cases where individuals do not meet the minimum qualifications or achieve a passing score on their examination (if applicable) for the job classification to which the position is to be reallocated, agencies must resubmit the requested reallocation in their Fiscal Year 1996 budget request, if such reallocation is still required.
- (5) Position-Employee-Profile (PEP) Forms shall be prepared and completed in accordance with the Mississippi SPB Policy and Procedures Manual, i.e., "Reallocation" shall be written at the top of the Position-Employee-Profile (PEP) Form, FLSA class shall be lined through and rewritten, occu class number and title amended, and form properly signed and dated.
- (6) Reallocations not submitted in accordance with these provisions shall be returned without action.

b. Non-Budgeted Reallocations

All upward reallocations submitted under Section C.3. of this policy must be accompanied by an appropriate vacant position abolishment or downward reallocation which shall be equal to or greater than the cost of the requested reallocation(s). This is to offset any escalation of projected personal services continuation costs. Further, these reallocations and position abolishments shall be within the same agency number as registered with the State Personnel Board as the requested upward reallocations. Positions abolished pursuant to this section **must be signed by the agency head** and may not be reestablished under any circumstance during the current fiscal year. No other reallocations will be considered unless it is demonstrated that the requesting agency has no vacant positions from which to fund the reallocation, and only if the request is accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88) and is fully documented as a bona fide staffing need requiring immediate implementation. Some examples of these needs are as follows:

- \*\* results in the adverse interruption of direct patient care in agencies providing health care services; or
- \*\* result in definite loss of special funds; or
- \*\* result in immediate adverse legal consequences for the agency involved; or
- \*\* result in serious disruption of the operations of any state agency or impede the delivery of essential services to the public by said agency.

c. Lateral Reallocations

All requests for lateral reallocation must be justified and submitted by the requesting agency in accordance with State Personnel Board policy and procedures as outlined in the Mississippi SPB Policy and Procedures Manual, for approval by the State Personnel Director.

d. Downward Reallocations

All requests for downward reallocation must be justified and submitted by the requesting agency in accordance with State Personnel Board policy and procedures, as outlined in the Mississippi SPB Policy and Procedures Manual, for approval by the State Personnel Director.

### 3. Longevity

Should the employee's base salary exceed the end step of their particular job classification due to the components funded under this paragraph, then that portion which exceeds the end step shall be awarded as a one-time lump sum.

### 4. Productivity

No funds were appropriated for this component of the Variable Compensation Plan for Fiscal Year 1995.

## 5. Job Class Realignment

Except as otherwise provided in this policy, only those realignments which were approved through the appropriations process shall be implemented (refer to Section D.1. for appropriated realignment).

### Non-Appropriated Realignment

Except as provided for in Section D.1. above, the State Personnel Board in its sole and absolute discretion on a case by case basis may approve realignments only if a bona fide and verifiable staffing crisis has arisen due to a substantial increase in salaries in the relevant labor market for the subject job class. In such instances, the agency must provide salary survey data compiled from an acceptable relevant labor market and must justify that delayed implementation of the regular realignment would seriously threaten critical agency services. Where more than one agency utilizes a job class proposed for realignment, all affected agencies must certify their acceptance of the realignment and that sufficient funds are available for implementation. Implementation of salary increases authorized under this section are at the discretion of the appointing authority.

## 6. Corrective Salary Adjustments

In accordance with Legislative intent, and at the discretion of the agency head, corrective salary adjustments may be made in the following two instances:

- (a) In those cases where application of the twenty (20%), ten percent (10%), and five (5%) salary caps provided for in Fiscal Year 1994, resulted in awarding one employee a greater salary increase than received by another employee within the same agency, with the same job classification series and greater longevity. Agencies must review their own records and submit requests for corrective action to the State Personnel Board no later than **May 31, 1994** for the corrections to become effective July 1, 1994. Each request must be accompanied by the following attachments:
  - (1) A letter of explanation signed by the agency head
  - (2) Pre-conversion (FY 93) Position-Employee-Profile forms for both the PIN for which the corrective salary adjustment is requested **and** the PIN which is the basis for the inequity.
  - (3) The most current (FY 94) Position-Employee-Profile forms for both the PIN for which the corrective salary adjustment is requested **and** the PIN which is the basis for the inequity, annotated with the words “**Corrective Salary Adjustment due to FY 1994 Caps**”
  - (4) a valid State Personnel Board Funds Certification Form (SPB Form 309-88).
- (b) In those cases where application of certain salary limitations in FY 1994

appropriations acts prevented employees from receiving the full pay increase allowable under budgeted upward reallocations. Corrective salary adjustments may be made in this instance without regard to the twenty (20%) percent, ten (10%) percent, or five (5%) percent pay caps. The State Personnel Board will provide a listing of individuals affected. Agencies should review and submit requests for corrective action to the State Personnel Board no later than **May 31, 1994** for the corrections to become effective July 1, 1994. Each request must be accompanied by the most current Position Employee Profile (PEP) form properly completed in accordance with the Mississippi SPB Policy and Procedures Manual and annotated with the words "**Corrective Salary Adjustment due to FY 1994 Reallocation**", and a valid State Personnel Board Funds Certification Form (SPB Form 309-88).

#### E. Employee Performance Appraisal System Requirements

1. Each agency shall have an employee performance appraisal system in place which has been **certified** by the State Personnel Director. All state service employees, and non-state service employees whose positions fall under the purview of the State Personnel Board's salary setting authority [Refer to Section B.1.b herein] shall be covered under EPAS policies.
2. An employee performance appraisal system shall be incorporated in all aspects of personnel administration. Each employee's performance shall be evaluated using a system **certified** by the State Personnel Director, and the performance appraisal process shall be maintained on a continuous basis throughout each year. A current appraisal rating shall be on file, provided with, or submitted prior to, a request for processing promotions, demotions, transfers, reallocations, reclassifications, reduction in force terminations, or the award of productivity.

#### F. Provisions for VCP Salary Determination

##### 1. Fiscal Year 1995 Promotional Formula

The Fiscal Year 1995 Promotional Formula shall be applied for promotions, as well as promotional transfers, upward reallocations, upward reclassifications, and realignments as directed below. The promotional formula is utilized for the purpose of calculating the promotional max step. **The actual award up to the max step is at the discretion of the agency head.** The promotional max step is the maximum that may be awarded. In addition to budgetary consideration, the determination of the step to be awarded should be based on sound personnel management principles, with due consideration given to the impact of the salary award on other employees within the agency.

- a. The authorized salary for promotion to a vacant position is determined under the following provisions. In no case will the promotional maximum step (PROM MAX) exceed the end step of the pay range to which promoted. **Each agency must provide written certification of the annualized availability of funding to**

**support all promotions on a copy of the Funds Certification Form (SPB Form 309-88).**

b. Listed below are the three (3) cases used in calculating the **promotional formula** based on a one hundred percent (100%) parity for salary increases:

- (1) When the current pay step is less than or equal to the old start step and less than the new start step, promotional max step is equal to the new start step:

EXAMPLE

Current Pay Step: 140  
Old Start Step: 150  
New Start Step: 168 = promotional max step\*

- (2) When the current pay step is greater than the old start step and less than the new start step, find the difference between the current pay step and the old start step; add to the new start step for promotional max step:

EXAMPLE

Current Pay Step: 150  
Old Start Step: 138  
New Start Step: 168

$150 - 138 = 12 = 12 + 168 = \underline{180}$  = promotional max step\*

- (3) When the current pay step is equal to or greater than the new start step, find the difference between the old and the new start steps and add to the current pay step.

EXAMPLE

Current Pay Step: 180  
Old Start Step: 168  
New Start Step: 175

$175 - 168 = 7 = 7 + 180 = \underline{187}$  = promotional max step\*

\*NOTE: This formula shall be applied for promotions, upward reallocations, promotional transfers, upward reclassifications and realignments as specified in this policy memorandum.

c. Where the promotional increase authorized under the promotional formula is less than the salary which could be authorized for a new hire, **promotional flex may be awarded (PROM MAX) which is set under provisions for "New Hire Flexibility", Section F.5.b.**

- d. Where the promotional increase authorized under the promotional formula is less than 10 steps above the employee's salary before promotion, a 10 step promotional increase may be authorized.

EXAMPLE

Current Pay Step: 234  
Old Start Step: 225  
New Start Step: 227

$$227 - 225 = 2 \quad 2 + 234 = 236 = \text{promotional max step}^*$$

$$234 + 10 = \mathbf{244} = \text{10-Step Guarantee}$$

- e. **For realignments, maximum eligibility shall be the difference between the old and new start steps.**

## 2. Reallocations

- a. Upward Reallocation

Where an upward reallocation of an occupied position is approved as a result of the appropriation process or as an emergency (as defined in this policy memorandum and documented as required by Mississippi SPB Forms and Procedures Manual) the authorized salary is determined under provisions for "Fiscal Year 1995 Promotional Formula", Section F.1.

- b. Lateral Reallocation

The authorized salary for a lateral reallocation of an occupied position is no more than the current step before the reallocation.

- c. Downward Reallocation

The salary authorized for a downward reallocation of an occupied position is determined by one of the following methods:

- (1) The current step of the incumbent before reallocation;

**OR**

- (2) An amount resulting in the least reduction in salary by either reducing the current step by 10% (20 steps) or subtracting from current step 1/2 of the difference between the start steps of the job classes from which and to which reallocated.

There will be no reduction in salary through a downward reallocation without

written notice to the employee and the employee's written acknowledgment of the action.

All downward reallocations must be justified and submitted by the requesting agency in accordance with State Personnel Board policies and procedures.

- (3) In no case will the authorized salary exceed the end step of the pay range of the job class to which reallocated.

### **3. Reclassifications**

The authorized salary for reclassification of an occupied position from a trainee to proficiency classification or where certification, licensure, or registration is obtained is determined under provisions for "Fiscal Year 1993 Promotional Formula", Section F.1. Only those classes which are on an agency's authorized reclassification list shall be implemented. Upward reclassification requests shall be accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88).

### **4. Transfers**

#### a. Promotional Transfer

The authorized salary for a promotional transfer is determined under provisions for "Promotions", Section F.1. Requests for promotional transfers shall be accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88).

#### b. Lateral Transfer

The authorized salary for a lateral transfer is no more than the current step before the transfer. All requests for inter-lateral transfers shall be accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88).

#### c. Demotional Transfer (Reduction in Pay Range or Salary)

- (1) The authorized salary for voluntary demotional transfer will be no more than the current step before demotion; however, at agency head discretion, the authorized salary may be reduced to a lower step within the demotional job class pay range, but no lower than the same number of steps above start step as the current step in the current pay range..
- (2) The employee's base salary may be reduced as the result of a **disciplinary or inadequate performance** demotional transfer. Procedures for determining the amount of salary reduction will be established by the appointing authority on the basis of the following provision:
  - (a) The reduction of base salary will not normally exceed 10%;

- (b) The reduction of base salary in excess of 10% may occur when the reduction is to adjust an employee's salary to the level of other employees with equal or similar amounts of experience in the same job class;
  - (c) A written explanation will accompany all salary reductions.
  - (d) Exceptions to the reduction in salary for demotional transfers due to disciplinary measures or inadequate performance may be requested on a case by case basis.
- (3) In no case will the authorized salary exceed the end step of the pay range of the job class to which demoted.

## 5. Original Appointments

### a. Standard New Hire Salary

The authorized salary for a new hire after June 30, 1994 is at or below the salary rate of the start step assigned the class in which employed; however, at no time will a new employee be hired below the federally mandated minimum wage of \$4.25 per hour or step (68). At the agency head's discretion, a request to increase an employee's salary to the start step may be submitted at any point during the fiscal year. Requests for new hire must be accompanied by a valid State Personnel Board Funds Certification Form (Form SPB 309-88).

### b. New Hire Flexibility

Agency heads may request to the State Personnel Director that a job classification, or a job classification series, be approved for the award of New Hire Flexibility. Each request must include justification as to why the classification, or series, should be authorized for new Hire Flexibility. Agencies may also include their methodology for determining the award of New Hire Flexibility.

For job classifications approved by the State Personnel Director, New Hire Flexibility may be awarded when the education, experience, or professional certification possessed by the applicant at the time of appointment, to State employment, exceeds the minimum requirements for the job classification to which appointed.

Once approved by the State Personnel Director, New Hire Flexibility shall be computed and awarded using the methodology outlines below or the methodology submitted by the agency, not to exceed the maximums outlined in the criteria below:

- (1) Each year of additional directly related experience is valued up to a maximum of ten (10) steps (5%); and/or

Each year of additional directly related education is valued up to maximum of ten (10) steps (5%); and/or

Professional certification directly related, but in excess of any certification required in the minimum requirements of the job classification, is valued up to a maximum of ten (10) steps (5%).

- (2) The total cumulative New Hire Flexibility award for any combination of experience, education, or certification shall not exceed twenty (20) steps (10%).
- (3) New Hire Flexibility awards for approved job classification must be forwarded to the State Personnel Board with a Position-Employee-Profile form completed in accordance with The Mississippi SPB Policy and Procedures Manual and accompanied by a fully completed copy of the Funds Certification Form (Form SPB 309-88).
- (4) No New Hire Flexibility award shall be approved after the employee has worked over twelve months.
- (5) New Hire Flexibility awards will not be approved in conjunction with job classifications authorized for Recruitment Flexibility.

c. Recruitment Flexibility

All requests to recruit applicants at a salary exceeding twenty (20) steps above the assigned start step are to be submitted for State Personnel Board approval **prior to a job offer or an appointment** of an applicant. Such a request shall be accompanied by a letter of justification from the agency head describing documented recruitment difficulties experienced by the agency. The recruitment difficulties recognized by the Board may include but not be limited to:

- (1) documented recruitment difficulties for a job class which may be attributed to the established minimum or special qualifications of a job, and/or;
- (2) insufficient labor market availability of qualified applicants and/or, availability of a limited applicant pool complicated by a salary range for the job which is not competitive with the relevant labor market.

Misclassification of a position shall not be used as the basis for a recruitment flexibility request. Requests for recruitment flexibility shall be accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88).

## 6. Educational Benchmark

The authorized salary for an educational benchmark is no more than 10 steps or approximately 5% of the employee's base salary unless otherwise provided. In no case will

the authorized salary exceed the end step of the pay range to which assigned. Requests for educational benchmark awards shall be accompanied by a valid State Personnel Board Funds Certification Form (SPB Form 309-88), and shall be submitted on a State Personnel Board "Request for Educational Benchmark Award" form (SPB Form 5.11.1-88)

#### **7. Reappointments for Employees Returning From an Authorized Leave of Absence Without Pay**

- a. The authorized salary for an individual returning from an authorized leave of absence within the same job class from which the individual was separated and **within twelve months of separation** is no more than the current step at the time of the separation.
- b. In no case will the authorized salary exceed the end step of the job class of the position to which the employee is reappointed.
- c. Upon reappointment due to an authorized leave of absence without pay, the employee's hire date and status date shall be the same as it was at the time of separation.

#### **8. Reemployment for Employees Returning to State Service After Separation in Good Standing**

- a. The authorized salary for an individual returning to state service employment within the same job class from which the individual was separated and **within twelve months of separation** is no more than the current step at the time of the separation, except as adjusted by any **salary realignment** authorized by the Legislature.
- b. The authorized salary for an individual returning to state service employment **within 12 months of separation but not within the same job class or after 12 months of separation**, is determined under provisions for "Original Appointment", Section F.5., without regard to the initial reasons for separation.
- c. Upon reemployment after separation in good standing to state service, the employee shall receive a new hire date and new status date.

If you have any questions regarding Policy Memorandum No. 2, please contact the Office of Classification and Compensation at 359-2765.