

CORPORATE POLICY

SUBJECT: The Pay Plan: Hiring, Transfers, Promotions, and Demotions

CATEGORY: Human Resources
ORIGINAL DATE: November 10, 1992
REVIEWED DATE: November 7, 2019
REVISION DATE: December 12, 2019

I. **POLICY:**

It is the policy of Lake County Health Department and Community Health Center (LCHD) to follow pay practices that will attract and retain quality employees. LCHD is committed to compensating its workforce equitably. Consideration is given to a combination of compensable factors such as internal equity, market value of a position, skill, knowledge, education, experience and the County's budgetary conditions and constraints. LCHD transfers and promotes employees from within whenever possible and shall assure that the criteria used when considering employee promotions is fair and unbiased. Employees are to be considered for available opportunities based on performance, education, experience, other skills, knowledge, and abilities, without regard to race, color, religion, national origin, genetic information, marital status, age, sexual orientation, disability, sexual preference, gender identity, or gender.

II. **SCOPE:**

All LCHD employees. Certain ungraded positions may be exempt from certain provisions of this policy.

III. **PROCEDURE:**

A. Competitive Selection

1. For all competitive selection hiring (i.e., when a candidate is selected for a position via the job posting, application, interview and selection process), every effort shall be made to recruit and select the most qualified candidate. An internal candidate awarded a position in a higher grade through the competitive selection process shall receive a salary increase of at least 10% or to the new grade minimum, whichever is greater or in accordance with budgetary constraints, certain salary increases may fall below a 10% increase. The Recruiter will assess the qualifications of the candidate against the minimum requirements and determine, in cooperation with the Hiring Manager, an appropriate initial offer.
 - a. Offers at a Pay Rate Above the Minimum of the Pay Grade or Higher than a 10% Increase - There are circumstances when it is warranted to offer a competitively selected candidate a pay rate above the minimum of the pay grade or higher than a 10% increase. Such an offer may be made:
 - i. As the initial offer;
 - ii. As a counteroffer when a competitively selected candidate declines to accept a prior offer; or
 - iii. When a competitively selected internal candidate's current pay rate exceeds the minimum pay rate of the grade into which the candidate is being hired.
 - iv. If an internal candidate is moving more than one pay grade, a higher percentage increase may be warranted, beyond the minimum of the range.

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- b. Factors That Warrant a Pay Rate Above the Minimum of the Pay Grade or Higher than a 10% Increase - The factors that may warrant an offer above the minimum of the pay grade or higher than a 10% increase, either as an initial offer or as a counteroffer, include:
 - i. The relevant education the candidate possesses exceeds the minimum required for the position.
 - ii. The relevant experience the candidate possesses exceeds the minimum required for the position. Experience shall be assessed by time spent performing the duties of a similar position, or by organizational knowledge and experience gained by a candidate who has worked at LCHD in another capacity.
 - iii. The relevant specialized skills or abilities the candidate possesses exceeds the minimum required for the position.
 - iv. Market factors, such as a limited number of applicants or a higher current market value for more specialized positions, warrants higher pay than the minimum of the pay grade.
- c. Submitting a Request to Offer a Candidate Above the Minimum of the Pay Grade or Higher than a 10% Increase - When the factors described in Section III.A.1.a above warrant an offer to a candidate above the minimum of the pay grade or higher than a 10% increase, that request requires the approval of the appropriate Director. Upon approval by the appropriate Director, the Recruiter, in conjunction with the Hiring Manager and HR Manager or their designee, shall complete an Offer Exception Form indicating the following:
 - i. How the conditions stipulated in the applicable factors are met.
 - ii. How they are relevant to the position.
 - iii. Why they justify a higher-than-minimum offer.
 - iv. The percentage amount above the minimum of the pay grade they are requesting to offer the candidate.
 - v. Whether or not the Hiring Manager desires to receive guidance from the HR Director or their designee.

The Recruiter shall also obtain from the Hiring Manager and include with the Offer Exception Form an analysis of the budgetary impact and confirmation that there are budgeted funds to cover any pay offer above the minimum of the pay grade.
- d. Review and Approval Process for Offers Above the Minimum of the Pay Grade or Higher than a 10% Increase
 - i. The HR Director or their designee shall review the Offer Exception Form and accompanying documentation for compliance with the requirements of Section III.A.1.a above and for internal equity. If the requested percentage is above the minimum of the pay grade, the HR Director is authorized to approve an offer up to 30% of the pay grade. Potential offers above 30% of the pay grade shall be sent to the Executive Director for review and approval.
 - ii. If, on the Offer Exception Form, the Hiring Manager indicated that they wish to receive guidance from the HR Director or their designee, the parties shall confer to determine an appropriate offer. Once the offer is

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determined, approvals shall be granted by percentage above the minimum of the pay grade as described above.

- iii. Upon selection, candidates will receive a conditional offer of employment that will include their pay grade, starting pay, title, and name of their immediate supervisor.

- e. Appeal Process if a Request is Not Approved

- i. If the HR Director or their designee does not approve a request to make an offer above the minimum of the pay grade or higher than a 10% increase, due to a determination of insufficient justification or concerns about internal equity, the Hiring Manager may appeal the decision within five (5) business days of receiving the denial from the HR Director. The Hiring Manager must submit a written request to the appropriate Director. If the Director approves the appeal, then the Director will submit the written request to the Executive Director within five (5) days of the Hiring Manager receiving the denial from the HR Director. The HR Director shall be copied on the appeal. If an appeal is made, the HR Director or their designee is required to submit a written explanation to the Executive Director within two (2) days of the appeal being submitted, explaining how the request does not meet the requirements of this policy and/or how it would create internal inequity.
- ii. If the appeal is approved by the Executive Director, the candidate will receive a conditional offer of employment that will include their pay grade, starting pay, title and name of their immediate supervisor.

- B. Promotions or Transfers

1. Job Posting – To encourage promotion of employees, HR may restrict outside recruitment activities. Posting options may include posting a position internally for a short period of time, posting only in specific programs, or posting on the career website and through the applicant tracking system to capture both internal and external candidates. Qualified LCHD candidates are guaranteed at least a screening interview and may be given priority in the hiring process based on familiarity with organizational culture and expectations. In accordance with this policy, there are circumstances where a position may not be posted.
2. Eligibility – Employees become eligible for a transfer or promotion once they have completed their probationary period and meet the minimum qualifications for the position. It is within the discretion of the HR Director and the appropriate Director whether an employee may transfer or apply for promotion opportunities within their probationary period. In some instances, an employee's demonstrated potential, training, prior performance and/or initiative may offset the formal education, years of experience, and/or managerial experience required for a promotional opportunity.
 - a. Employees currently in a performance improvement period or who received progressive discipline within the past 12 months are not permitted to apply for promotional opportunities.
3. Expansion of Duties / Reclassification – Based on an employee's demonstrated performance and/or a business need, managers, in consultation with their Director and with approval from the HR Director or their designee, may expand

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an employee's duties, authority and autonomy without directly promoting them. These changes may not always come with a formal title change, however, they may be awarded a higher salary or reclassification of the position. Expansion of duties or reclassifications do not require a competitive hiring process, however, they will require revisions to a job description. See the Position Classification Policy for details.

4. Capability Promotion – A capability promotion is when an employee within a market recognized, approved multi-level job series is moved from a position at a lower pay grade to a position at a higher pay grade with added responsibilities and duties, and a higher pay range.
 - a. All capability promotions shall be awarded in accordance with the current Transfers and Promotions Policy.
 - b. A capability promotion does not require a vacancy in order for it to occur.
 - c. Movement to the higher pay grade will be based upon the employee already demonstrating or acquiring increased qualifications or credentials that enable them to perform more responsible tasks.
 - d. Capability promotion pay will be proposed and budgeted in advance by the appropriate Director.
 - e. A capability promoted employee shall receive a pay increase not to exceed 5% of their current pay, or movement to the new pay grade minimum, whichever is greater.
5. Transfer – A transfer is the shift of an employee from one position to another position of the same class or to another class in the same salary range, usually involving the performance of similar duties and requiring essentially the same basic qualifications. It is the responsibility of HR and the appropriate Director to fill job openings with the most suitable individuals available. Due to business needs, LCHD may, at its discretion, initiate the transfer of an employee. If an employee is being recommended for transfer to a different location, all efforts will be made to provide a 30-day written notice to the impacted employee. If an employee is transferred to a position with a different job title and responsibilities but the same pay grade, the appropriate Director may recommend a pay increase of up to 2% based on the following considerations:
 - a. The amount of additional responsibility, education and/or training required for the new position;
 - b. The employee's performance history;
 - c. The employee's current pay level in the pay grade;
 - d. The current pay rates of other employees in comparable positions; and
 - e. Programmatic budgetary constraints.
6. Succession Planning – Succession is a change in a role in which an employee identified through succession planning replaces another employee when that other employee vacates the position. Succession does not require a job posting.
7. Accrued Benefits – All accrued benefits remain with an employee when they are transferred and/or promoted to a different position in LCHD. The HR Director may establish agreements with other Lake County departments for the transfer of benefit provisions to or from those departments. Such transfer of benefits must be approved by the new employing department on a case-by-case basis.

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8. Probationary Period – All transferred and/or promoted employees are required to serve a probationary period of six months during which time their performance will be evaluated by their immediate supervisor. An employee not satisfactorily completing the probationary period may be issued a Formal Coaching Session by their immediate supervisor or disciplinary action up to and including termination may be recommended.
 9. Notice to Current Immediate Supervisor – All employees transferred and/or promoted to another program are required to give a minimum of two-weeks notice to their current immediate supervisor. If there is a critical business need and a transfer is requested under the same Director, the supervisors involved may come up with a mutually agreeable departure date, to ensure less impact to either program.
- C. Demotion
1. A demotion, voluntary or involuntary, is movement into a job classification that is a lower salary grade than the employee's current position. A Director or the Executive Director may demote an employee for cause or as part of reorganization, reduction in force, or other administrative changes ordered by the Executive Director. In the event of a reorganization, reduction in workforce or other administrative changes, see the Reduction in Workforce Policy for factors to consider and proper administration. Such actions shall be made in consultation between the HR Director and the appropriate Director. A demotion may result in a 10% salary decrease. However, if departmental budgetary constraints and/or internal equity issues exist, a decrease less or more than 10% may be recommended to the HR Director or their designee. In the case of a reduction in force, where an employee is offered a different job opportunity, that employee's salary may be lowered to the minimum salary range of the position being offered.
- D. Pay Increases
1. Budgeted pay increases for all employees may be considered annually by the Board of Health for inclusion in the following year's budget. The procedures for pay increases are as follows:
 - a. When a base pay increase is authorized, the entire salary schedule is usually, though not always, raised at every level.
 - b. Annual increases will be allowed up to the top of the pay grade on the salary schedule and will be effective at the beginning of the fiscal year. Base pay above the maximum of the pay level will only be allowed as a result of periodic implementation of compensation study recommendations. Base pay of employees affected by this situation will freeze until their base pay is within the assigned pay grade of their position.
 - c. Increases beyond the maximum level of the pay grade will not be granted. If position requirements and responsibilities have increased, a position review may be appropriate.
 - d. Employees hired or promoted prior to June 1st shall be eligible to receive an annual increase. Employees hired or promoted June 1st or after may receive a portion of the annual increase determined by the Board of Health's adoption of the budget for that fiscal year.

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E. Interim Appointment

1. An employee temporarily assigned the duties of a position in a higher pay grade or in a different job category, due to vacancy or absence within that position, may be eligible for interim pay. Such an employee need not possess the minimum requirements of that position. In some instances, an employee's demonstrated potential, training, prior performance and/or initiative may offset formal education, years of experience, and/or managerial experience required. The interim assignment must be for a minimum of 30 days and shall not exceed six (6) months. When an employee is assigned to a higher pay grade on an interim basis, the employee shall receive a 5% increase or the pay grade minimum, whichever is higher, for the duration of the interim assignment. The additional pay will cease when the additional duties are completed or are reassigned. If an employee is promoted into the position for which they served as an interim, negotiations for a pay increase will be in accordance with the competitive selection procedure in Section III.A.

F. Proficiency Incentive

1. The proficiency incentive program provides a pay increase opportunity to those employees with a level of institutional and job knowledge that allows them to perform their tasks in a more valuable, productive and/or responsible manner. All proficiency incentives shall be awarded in accordance with the Transfers and Promotions Policy. Employees receiving this incentive have demonstrated a comprehensive knowledge of their job and use this knowledge to provide consistently reliable service. Employees may be eligible to receive up to a 2% increase added to their base pay.

G. Percentage Increase Calculations; Hourly to Salaried Staff

1. When an hourly (1950 hours/year) employee is promoted to a salaried (2080 hour/year) position by any means described in this policy, the percentage of the increase shall be calculated on the employee's hourly rate, not their annual pay rate, due to the difference in the number of hours worked per year.

IV. REFERENCES

Offer Exception Form
Position Classification Policy
Transfers and Promotions Policy
Demotion Policy
Reduction in Workforce Policy

V. AUTHORS/REVIEWERS:

Designated Review Team, Corporate Policy and Procedure Committee, Executive Team, and Lake County Board of Health Personnel Committee.

VI. APPROVALS:

Lake County Board of Health President

Signature: _____ Date: _____