
808.5 SUBJECT: PAY PLANS - ADMINISTRATION AND MAINTENANCE

:1 OBJECTIVES:

Provide a pay policy and compensation system that is internally equitable and competitive with the relevant labor market, so the City can attract, acquire, and retain competent employees. All positions except Appointed Officials, Police and Fire Management, and as may be otherwise provided for those covered by bargaining agreements, are governed by this policy.

:2 AUTHORITY:

This procedure amended by the City Council May 10, 2010.

:3 DIRECTION:

Human Resources Division Manager, as an appointed official, serves at the pleasure of the Mayor, and receives direction through the Chief Administrative Officer or designee.

:4 METHOD OF OPERATIONS:

A. Definitions

The following words or phrases, for the purpose of this procedure, shall be defined as:

Contract Employee – An employee who is working under a specified employment contract, which is subject to City Council approval.

Demotion – Movement of an employee from one classification to another classification with a lower wage grade in the same pay plan.

Intern – An undergraduate or graduate student who is currently enrolled in a regular course of study in an accredited college or university whose employment with the City earns college credits toward graduation. Terms of employment under this category are intended to include a mutually agreed upon schedule between the college and hiring department, not to exceed four (4) months in duration without reassessment. No benefits will be earned (see Internship Program, Section 800.2).

Lateral Transfer – Movement of an employee from one classification to another classification with the same wage grade and in the same pay plan.

Length of Service – Service time will be calculated from an employee's date of hire or adjusted date of hire with the City in a credited pension service permanent position, or contract position while covered under the City's pension plan. When an employee is hired in a temporary position and moves into a permanent position, the employment date will be changed to the effective date that the employee moves to that permanent position.

Merit Increase – An annual adjustment in an individual's pay based on job performance. Actual percentage increase will be determined annually.

Permanent Full-Time Position – A position designated as full-time and funded annually by City Council.

Permanent Part-Time Position - A position in the City pay plan designated as permanent part-time and funded at a minimum of fifty percent (50%) (twenty (20) hours per week) annually by City Council.

Probationary Employee – An employee assigned to a permanent position who has not completed a six (6) month probationary period of employment with the City in that particular position. Temporary and seasonal employees shall be considered probationary employees regardless of service tenure.

Promotion – Movement of an employee from one classification to another classification with a higher wage grade in the same pay plan.

Regular Employee – An employee who has completed the probationary period in a permanent position.

Seasonal Employee – An employee who is hired to work in a position, other than a permanent position, on an as needed basis. Such employees are not eligible for any City benefits. A temporary employment contract must be signed according to the City's established procedure.

Special Promotion – Movement of an employee to a higher position and pay grade upon successful completion of an established trainee or career ladder program.

Temporary Employee – An employee who is hired to work in a position, other than a permanent position, on a regular basis for a specified length of time (not to exceed one year without reassessment of need). Such employees are not eligible for any City benefits. A temporary employment contract must be signed according to the City's established procedures.

Temporary Position – A position, other than permanent, approved and funded by City Council. The period of employment for a temporary position is for a specified length of time, and the rate of pay is determined by the Human Resources Division Manager in conjunction with the Department Director of the requesting department.

Transitional Employee – An employee in a non-Civil Service permanent position with the City who has been selected and transfers for the purpose of attending training to become a Police Officer or Firefighter.

B. Policy

The Human Resources Division is responsible for the administration and maintenance of the Pay Plans. Pay Plans are reviewed annually to determine the amount of adjustment, if any, needed to keep them competitive with the market.

Recommendations for changes in the salary structures and merit increases are submitted to the Mayor for approval.

Salary increases are based on performance or other actions as approved according to this policy.

Employees will not be compensated at rates that are less than the minimum of their assigned pay range unless an overall performance rating of "Below Standards" or "Needs Improvement" is received (see Section 808.22 Performance Appraisal and Merit Increase Program). If an employee's base salary exceeds the maximum of the assigned salary range, a lump sum payment will be granted unless an overall performance rating of "Below Standards" or "Needs Improvement" is received (see

Section 808.22 Performance Appraisal and Merit Increase Program). Payment equals the hourly increase above the maximum, multiplied by 2,080 hours for full time employees (1,040 for permanent part-time employees) paid in one lump sum. This payment will be pensionable.

C. Description of Plan

The Pay Plan governed by this procedure includes exempt positions which are considered administrative professional or managerial in nature (see Section 808.7 Classification Plan) and non-exempt positions, which are considered clerical, secretarial, technical or paraprofessional in nature, or first line supervisors. This plan provides a hierarchy of grades and pay ranges, based on internal as well as market considerations (see Section 808.7 Classification Plan).

D. Administration of Plan

1. **Starting Rates – (New Hires)**

Determination of starting pay for new hires is made by the hiring Department Director or designated Appointed Official and is based on several factors:

- a) Salaries offered to new employees must be within the applicable pay range.
- b) The candidate's qualifications and work experience relative to the job requirements.
- c) Current pay levels of incumbents in the same or similar positions within the Department.
- d) Appointed Officials are encouraged to reference salaries of current job incumbents prior to making the initial salary determination.

2. **New Hire Salary Guidelines**

- a) The normal hiring range for new external employees is between the minimum and midpoint of the pay range. New hires meeting the requirements for the position, but possessing less than one year of relevant experience for the job will normally be hired at the minimum for the pay range. Candidates with more significant experience and qualifications may be hired closer to the midpoint of the pay range.
- b) Hiring within the normal hiring range will provide the greatest future incentive for the merit increases based on achievement. It also assures salary expense control in the absence of demonstrated performance.
- c) There may be occasions when a candidate's qualifications and relevant work experience warrant a starting salary that is greater than the midpoint of the pay range. Relevant experience is defined as those skills and attributes identified in the job description and uniformly recognized in the external market.
- d) All requests for hiring rates above the normal hiring range must be submitted to the Human Resources Division Manager for review and approval with concurrence from the Chief Administrative Officer.

Requests for starting salaries above the midpoint must be approved before an employment offer is made.

3. **Transfer Within a Pay Plan (except as otherwise provided by a collective bargaining agreement):**
 - a) **Promotion** – Employees receiving a promotion will receive a pay increase equal to the midpoint differential between the pay grade their job is currently assigned and new position’s assigned pay grade, or to the minimum of the new range, whichever is greater. Such increase shall however, be capped at twenty-five percent (25%), unless the resulting rate is below the minimum of the new range, and shall be no less than seven percent (7%), unless the resulting rate is above the maximum of the new range. Promotional increases are calculated by subtracting the current midpoint from the new midpoint and dividing that amount by the current midpoint.

Exceptions to the policy for promotional increases for non-bargaining positions, may be authorized by the Chief Administrative Officer. Exceptions may be granted due to extenuating circumstances such as internal equity issues and compression in relation to large promotional increases. In such cases, an increase less than that provided for by policy may be proposed, however, the promotional increase will not be less than seven percent (7%) unless the resulting rate is above the maximum of the new range. Requests for a promotional increase less than provided for by policy must be sent to the Human Resources Division Manager for review and recommendation, with final approval by the Chief Administrative Officer.
 - b) **Demotion** – An employee who is demoted either voluntarily or involuntary will receive a decrease in pay equal to seven percent (7%) or the maximum of the new grade, whichever decrease is greater, except when an employee is demoted during the probationary period, the employee’s previous rate will apply. Exceptions to this policy due to special circumstances may be requested by the applicable Department Director through the Human Resources Division Manager for review and recommendations with final approval by the Chief Administrative Officer.
 - c) **Lateral Transfer** – A lateral transfer will not result in a salary change. However, if current salary exceeds the new range maximum, the hourly rate is reduced to the new grade maximum and the amount above maximum is paid in a one-time lump sum.
4. **Transfer Between Pay Plans** – When an employee moves from one pay plan to another, the following guidelines will be used to determine whether the movement is treated as a lateral transfer, a promotion, or a demotion (Note: Transfers between the non-bargaining pay plan and the SEIU pay plan will be triggered by a seven percent (7%) difference between mid-points and governed by Section D.3. above.).

- a) **Lateral Transfer** – The minimum of the employee’s current grade and that of the position to which the employee is being transferred, differ by less than seven percent (7%). No change to the employee’s base pay.
- b) **Promotion** – The minimum of the grade to which the employee is being transferred is seven percent (7%) or greater than the minimum of the employee’s current grade. Promotional rate is applied as follows:

MINIMUM DIFFERENTIAL BETWEEN THE PAY GRADES	% INCREASE
Less than 7%	0
7% but less than 14%	7%
14% but less than 21%	14%
21% or greater	25%

All promotions are capped at 25% or to the minimum of the new pay grade, whichever percentage is greater.

Demotion – The minimum of the grade to which the employee is being transferred is lower than the minimum of the employee’s current grade by no less than seven percent seven percent (7%). An employee who is demoted either voluntarily or involuntary will receive a decrease in pay equal to 7% or the maximum of the new grade, whichever decrease is greater, except when an employee is demoted during the probationary period, the employee’s previous rate will apply. Exceptions to this policy due to special circumstances may be requested by the applicable Department Director through the Human Resources Division Manager for review and recommendations with final approval by the Chief Administrative Officer.

- 5. **Intern** – An employee who is hired as an intern shall be paid at a rate according to provisions outlined in Section 800.2, Internship Program.

Approval must be obtained from the Human Resources Division Manager before employing an intern. A brief job description must be sent to the Human Resources Division Manager stating work to be done, job requirements, intended length of employment, weekly hours, and qualifications which enable them to perform these tasks.

If funds are not available within the program account Salaries and Wages-Extra Help, a Budget Revision form must be processed through the Budget and Accounting Division.

A Temporary Employment Contract, reviewed by the City Attorney’s Office, must be signed according to the City’s established procedure.

- 6. **Trainee Status** – If a qualified applicant cannot be found to fill a position, the position may be temporarily converted to “trainee” status at one (1) grade below that of the permanent position.

The Office Head/Division Manager will submit a written request to the Human Resources Division Manager outlining a plan (method) and time standard in which the applicant will meet the minimum qualifications for the regular position, not to exceed one (1) year. The applicant will acknowledge, in writing, that if the requirements and time standards are not met, the employee will be terminated and the position will revert to the regular grade.

a) **Starting Rates**

- (1) If the “trainee” position is filled with an outside applicant (new hire), the starting salary will be determined by the hiring Department Director in accordance with D.1. above.
- (2) If a current employee is promoted to a “trainee” position, the employee will not receive an increase in salary, unless current hourly rate is below the minimum of the new “trainee” range.

b) **Merit Increases** – Employees in a “trainee” status are eligible for a merit increase (see Section 808.22).

c) **Promotional Increases** – The position will be converted to the regular grade upon completion of the “trainee” program and the employee will receive the applicable promotional increase (see Section D.3, Promotion), or an increase to the minimum of the salary range of the regular position grade, whichever is greater.

7. **Special Promotion Program** – Career Ladder/Special Promotion Programs may be established when all the following criteria are met:

- a) The required knowledge and skills are not readily available in the Labor Market.
- b) A lengthy training period is required to gain proficiency or a training/apprenticeship period to obtain required license/certification.
- c) All employees will perform the same duties once they reach proficiency. Requests to establish this type program must be submitted to the Human Resources Division for review. Upon successful completion of the career ladder/special training program, employees will receive a promotional increase. The employee will not be placed in a probationary status upon promotion within the career ladder.

The supervisor must submit a request, in writing, to promote the employee. Human Resources Division reviews the request to ensure the employee meets the minimum qualifications, performance standards and any other qualifications set by the department. Human Resources Division then responds, in writing, whether the request is approved or denied. If approved, the salary increase is effective the start of the next pay period.

8. **Contract Employees** – An employee in a “contract” pay status will receive pay and benefits as outlined in the approved contract (see Policy and Procedure 808.9 Contract Positions). A Contract, reviewed by the City Attorney’s Office, must be signed and approved by City Council prior to employment.

9. **Transitional Status** – Transitional employees’ salaries will be adjusted to the established rate for those attending training. They will continue to accrue City benefits, excluding management leave and compensatory time held prior to entry into the training program.

Upon becoming a probationary Police Officer/Firefighter, the employee will receive City benefits as prescribed in bargaining agreements. Should the employee fail to complete the prescribed training, including the Field Training Program, the employee may be transferred to another vacant City position for which they are qualified.

The employee will not lose earned benefits, excluding management leave and floating holidays, when transferring to or from the Civil Service position. Pension date will change to the effective date of the permanent position.

10. **Working out of Class** – Any non-bargaining employee who is assigned to work out of classification in a higher non-Civil Service position, will be given an increase equal to the midpoint differential between the employee’s current position and the higher position’s midpoint, or to the minimum, whichever is greater, capped at twenty-five percent (25%); unless the resulting rate is below the minimum of the new range, and shall be no less than seven percent (7%), unless the resulting rate is above the maximum of the new range. Should the higher classification be a Civil Service position, the employee may be granted an increase not to exceed seven percent (7%). To be eligible for the higher pay, the employee must:

- a) Perform substantially all the required duties for the higher classification. Employees working in a higher classification for thirty (30) days or less do not have to meet the minimum qualifications for the higher level job unless required by law or ordinance. Employees working for more than thirty (30) days in a higher classification must meet minimum requirements for that job.
- b) Work in the higher classification at least half of their regularly scheduled shift.
- c) Be in a permanent position.

Out of Class Pay will only be granted when an existing position is vacant due to vacation, termination, illness, etc. and not for temporary reassignment for special projects. Exceptions to the ‘vacant position’ portion of this policy must be made due to extenuating or emergency circumstances. Exceptions must be requested in writing (before) being paid, through the appropriate Department Director to the Human Resources Division Manager for final approval. All other provisions of this policy must be met.

Out of Class Pay will be granted only for time actually worked and will not include time spent by employee on personal leave, holidays, or sick leave, or other absence from the job. After an employee has worked out of classification for ninety (90) days, the Office Director/Division Manager will be required to review and consider any extension of the out of classification status. Such extension to be approved only if the employee

meets the minimum qualifications as contained in the job description of the higher classification.

Requests for Working Out of Class Pay must be submitted by authorized personnel using the online Form by going to the City of Orlando Intranet page, Payroll Forms and Information, Working Higher Class Adjustment. This form is to be submitted to the Human Resources Division by 12:00 Noon on Friday.

11. **Effective Date** – When feasible, personnel changes should be effective the beginning of a pay period. However, all changes must be effective at the beginning of a workweek. The workweek begins on Sunday at 12:01 AM and ends Saturday at 12:00 midnight; therefore, transfers, promotions, demotions, etc. must be effective on Sunday. The effective date will be determined by whether the employee is paid on a weekly or bi-weekly basis (see Section 808.46).
12. **Longevity** – An employee in a permanent full time, permanent part-time, non-bargaining, non-civil service, contract position with benefits, and elected officials will receive an annual longevity payment based on length of service.
 - a) Service time will be calculated from the latest date of employment or an adjusted date of employment, if applicable. To be eligible for this bonus, the employee must have completed the specified number of years of service on or before October 1st of each year and must be employed as of the date of payment, unless retiring from the City service or beginning to receive Long-Term Disability benefits in September or October. Note: Time spent as a contracted employee during which the employee was a participant in the City's pension plan (on or after October 30, 1989) will be counted as service time for longevity purposes.
 - b) The following schedule of payment will be used:

0 – 4 years	\$0.00
5 – 9 years	\$400.00
10 – 14 years	\$700.00
15 – 19 years	\$1,000.00
20- 24 years	\$1,200.00
25 years +	\$1,500.00

Employees in permanent part-time positions will receive fifty percent (50%) of all above payment schedule.

Payment will be made by separate check in a lump sum each year and will be subject to required deductions. Longevity payments will be made during the month of October.

Note: Payment will be made based upon the pay plan to which employee is assigned as of October 1st.

13. **Performance and Budgetary Savings Program** – City Council may implement a performance and budgetary savings incentive program in

specified departments, offices or divisions. Such program may include savings based on incentive awards.

14. **Special Pay Adjustments** – On the rare occasion it becomes necessary to adjust an employee’s salary under certain limited circumstances, a Department/Office Director shall process a request for adjustment through the Human Resources Division Manager and the Budget Division Manager for review and recommendation. The Chief Administrative Officer shall have final approval authority over adjustments requested under this section. Examples of situations where an adjustment may be warranted include the retention of a mission critical key employee when that employee has documented an offer of employment at a higher compensation level, adjustments for internal equity purposes (pay compression or distortion resulting from new hires or promotions from within), and adjustments for key positions severely out of line with market conditions whose loss would adversely affect critical City operations. Unless it creates an undue hardship, approved salary adjustments will be absorbed by the requesting Department. This paragraph does not apply to positions covered by bargaining unit agreements.

:5 FORMS:

Form 808.51.1 – Request for Working Out of Class Pay.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

City Council Minutes, November 3, 1963; amended February 14, 1966; amended June 23, 1969; Item 35; amended April 20, 1970, Item 27; amended March 22, 1971, Item 34; amended November 13, 1972, Item 12; amended October 24, 1977, Item 13: was renumbered from 708.6 and amended October 8, 1980, Item 8; amended May 18, 1981, Item 17; amended July 20, 1981, Item 11; amended May 17, 1982, Item 12V; amended October 4, 1982, Item 15X; renumbered from 708.5 and amended January 24, 1983, Item 15S; amended January 23, 1984, Item 13A-19; amended September 8, 1986, Item 28A-22; amended May 16, 1988, Item 19A-5; amended February 11, 1991, Item 3/7. amended June 21, 1993; Item 2-P; amended December 12, 1994, Item MM; amended July 10, 1995, Item UU; amended March 11, 1996, Item 3KK; amended March 23, 1998, Item 3KKK; amended May 24, 1999, Item 5-LL; amended April 3, 2000, Item 2PPP; amended May 22, 2000, Item 8-ZZ; amended April 2, 2001, Item B6; amended June 3, 2002, Item B24; amended December 2, 2002, Item a18; amended July 28, 2003, Item a4; amended September 15, 2003; amended August 9, 2004, Item A4; amended December 13, 2004, Item A8; amended July 25, 2005, Item A11; amended February 13, 2006, Item A5; amended June 18, 2007, Item A2; amended May 10, 2010, Item A2.

:8 EFFECTIVE DATE:

This procedure effective May 10, 2010.