


# Optional Pay Adjustments (CS Rule 6.16.2)

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	<b>Louisiana Department of Health (LDH)</b>	
	<b>Policy Number</b>	53.3
	<b>Content</b>	Provides a uniform mechanism for requesting and granting optional pay adjustments
	<b>Effective Date</b>	July 01, 2018
	<b>Inquiries to</b>	Office of Management and Finance Division of Human Resources, Training and Staff Development P.O. Box 4818 Baton Rouge, Louisiana 70821-4818

If there is a discrepancy between an LDH Policy and a Program Office or facility policy, the LDH policy shall govern/overrule/supersede the conflicting section within the Program Office or facility policy.

## I. POLICY STATEMENT

It is the policy of the Louisiana Department of Health (LDH) to provide a uniform mechanism/procedure for the requesting and granting of optional pay adjustments to address the following:

- To attract employees to difficult-to-recruit positions
- To provide for the retention of employees deemed essential to the agency
- To reduce salary compression
- To compensate an employee for the assignment of additional duties

## II. APPLICABILITY

This policy shall be applicable to permanent classified employees in all LDH offices and subdivisions thereof.

### **III. EFFECTIVE DATE**

The effective date of this policy is July 01, 2018.

### **IV. KEYS**

- A. Human Resource Director - refers to the custodian of the official personnel file, either in HRTSD or in a facility.
- B. Human Resources, Training & Staff Development (HRTSD) - refers to the central human resource office for LDH located in Baton Rouge.
- C. Program Office - refers to the headquarters/central offices of the Office of the Secretary/Office of Management & Finance, Medical Vendor Administration, Office of Aging and Adult Services, Office of Behavioral Health, Office for Citizens with Developmental Disabilities, and Office of Public Health.
- D. Facility - refers to facilities and clinics operated by LDH.
- E. Appointing Authority - refers to the Secretary, Deputy Secretary, Undersecretary, Assistant Secretary, MVA Director, and/or their designees.

### **V. RESPONSIBILITY**

It shall be the responsibility of the Secretary, Deputy Secretary, Undersecretary, Assistant Secretary, MVA Director, and/or their designees to:

- A. Review and approve/disapprove optional pay adjustments or recommend for approval those requests requiring Civil Service Commission approval;
- B. Certify that funding is available for the implementation;
- C. Maintain records of optional pay adjustments and supporting documentation for three (3) years and, when necessary, provide a list of all optional pay adjustments; and
- D. Review the pay practices of individual facilities/clinics/divisions/bureaus/sections under their jurisdiction to ensure equity and consistency in the application of optional pay adjustments, and compliance with LDH policies and procedures and CS Rules.

## VI. POLICY PROVISIONS

A. The Secretary, Deputy Secretary, Undersecretary, Assistant Secretary, MVA Director, and/or their designees may grant either base pay or lump sum adjustments under the following circumstances. Compensation shall not exceed the maximum allowed under Civil Service Rule 6.16.2.

**1. To attract employees to difficult-to-recruit positions**

In order to attract current state employees into difficult-to-fill positions, a classified employee may be given a base pay optional pay adjustment in addition to any other compensation granted under CS Rule 6.7. Employees at range maximum shall not be eligible for a payment under this provision.

**2. To retain employees whose loss would be detrimental to LDH**

An optional pay adjustment should only be given for retention if the employee has a valid job offer from a private employer, a non-state government entity, or unclassified service in a different state department that can be verified and the office/facility can clearly explain the importance of retaining the employee and the difficulty of replacing the employee. The request shall include the name of the employer making the offer, their address and phone number, and the job and salary offered. If an employee has a written job offer that is more than the maximum allowed, the agency may give the employee an adjustment under this policy and request an individual pay adjustment under CS Rule 6.16 (c) from the CS Commission for the remaining amount. Civil Service requires written verification of the job offer. Employees at range maximum shall not be eligible for a payment under this provision.

**3. To adjust pay differentials between comparable employees**

Base pay optional pay adjustments may be given to an employee whose pay is compressed by an increase given to other employees in the same job series or supervisory chain due to Civil Service actions, such as:

- (a) Rule 6.5(b) Special Entrance Rates;
- (b) Rule 6.5(g) Extraordinary Qualifications/Credentials;
- (c) Implementation of a structure adjustment; or
- (d) Other similar circumstance.

SCS Rule 6.16.2(b) allows an appointing authority to address compression affecting a permanent employee by granting a pay adjustment of up to 10% of the employee's base pay.

Salary compression may occur when managers/supervisors are paid at a rate lower than those that they supervise. Please remember that it is perfectly logical that a 20-year employee in a staff level position will have a higher salary than a supervisor with just seven years of service/experience. However, if the supervisor has 20 years of service/experience and makes less than the subordinate with 7 years of service/experience, an agency may want to give an increase to the supervisor.

Salary compression may also be caused when there is only an insignificant difference in pay between employees in the same job series, despite significant differences in merit factors such as:

- length of total state service
- time in current job series
- skills and experience
- education/credentials
- performance

This often happens when the current employee pay hasn't kept up with increases in the market pay rate resulting in a situation in which new hires are hired at levels similar to employees who have been with the state for many years. Merit factors should always be taken into consideration and only employees at your agency should be compared.

There is no SCS rule that says that an employee who either has more state service than another employee or is in a higher position than another employee must have a higher salary.

If an agency is planning to pay a large group of employees, give compression to the same employee in multiple fiscal years, or would like to address something the agency feels is compression specifically not listed above, the agency must contact their SCS compensation consultant prior to making the payment.

HR will maintain text in LaGov about the employee, the comparable employee(s), reason for the payment, and any merit factors used to determine that the compression payment is justified. Non-LaGov agencies should keep this information on file.

Employees at range maximum shall not be eligible for a payment under this provision.

#### 4. To compensate an employee for the assignment of additional duties

Optional pay adjustments may be given to employees who are assigned additional duties. In order to be eligible for compensation, the additional duties should require that the employee possess new skills or competencies. Such optional pay adjustments may be given as follows:

- a. Limited period of time  
Employees who are assigned additional duties for limited periods of time that do not result in a detail to special duty may receive up to a 5% a lump sum payment after the duties are performed or after a year, whichever is less, or in bi-weekly increments depending on the nature of the additional duties and the expected duration. If the duration of the assignment exceeds one year, a request for payment must be resubmitted to the Appointing Authority for approval.
- b. Permanent additional duties  
Employees who are assigned additional duties on a permanent basis that do not result in the reallocation of the position may receive up to a 5% optional pay adjustment. Such optional pay adjustments may be a lump sum payment or a permanent, base pay adjustment. These duties must be documented on the employee's official position description and processed by Civil Service within 30 days prior to granting the adjustment.
- c. Employees may not receive more than 10% base pay increases within three consecutive fiscal years.
- d. Requests for additional duty optional pay adjustments of up to 5% may be granted after verification of the additional duties and upon approval of the appointing authority and agency head.
- e. An [OPA Questionnaire for Additional Duties](#) must be completed for all requests for compensation for limited or permanent additional duties.
- f. Employees at range maximum may only receive a lump sum payment.

#### B. Guidelines

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1. All increases granted in accordance with this rule will be restricted to fulltime permanent state classified employees with at least a successful Performance Evaluation System rating.
2. Qualifying events must occur on or after the initial effective date of this policy. Adjustments shall not duplicate payments received pursuant to other pay rules such as reallocations, details, etc.
3. Optional pay adjustment requests must be submitted in writing on the most current HR22 form to the appropriate Human Resource Director. Forms may be obtained from the LDH Policy Manual Website or your human resource office. It is the office/facility's responsibility to demonstrate that the request meets the criteria for approval by producing such documentation as a position description and a detail of special projects.
4. Optional pay adjustments are limited to 10% of the employee's base salary within a fiscal year. Multiple adjustments may be given as long as the total does not exceed 10%, the adjustments are for different reasons, and the employee's salary is below the maximum. For additional duties, a single instance nor multiple instances shall not exceed a total of 5% in a fiscal year and shall not exceed a total of 10% within three consecutive fiscal years.
5. Employees who are at range maximum cannot receive a base pay increase; they are only eligible for a lump sum increase. They cannot receive a lump sum increase in consecutive years even if the reasons for the adjustment are different.
6. Base pay adjustments cannot exceed the range maximum.
7. Effective date of compensation shall be no sooner than Appointing Authority's date of signature.
8. This policy shall be posted on the LDH Policy Website and may also be obtained from any LDH Human Resource Office.

## **VII. REPORTING**

1. The facility Human Resource offices shall submit an annual report for the previous fiscal year to the Division of Human Resources, Training & Staff Development by July 15. The report shall be done in accordance with the

current Civil Service reporting format issued annually by General Circular.

2. The Human Resource Director shall post a list of all employees who received increases and the amount according to this rule by July 15 for the previous fiscal year.
3. The Division of Human Resources, Training & Staff Development shall submit an annual departmental report to the Department of Civil Service by July 31 for the previous fiscal year.

## VIII. EXCEPTIONS

Exceptions to this policy require the approval of the Civil Service Commission.

## IX. DISCIPLINARY ACTIONS

Violations of this policy may result in disciplinary action up to and including dismissal.

## X. REVISION HISTORY

Revisions of this policy must be approved by the Civil Service Commission prior to implementation.

<b>Date</b>	<b>Revision</b>
April 5, 2000	Policy created
January 9, 2002	Policy revised
July 1, 2004	Policy revised
January 14, 2005	Policy revised
September 14, 2005	Policy revised
November 10, 2010	Policy revised
May 4, 2011	Policy revised
April 02, 2017	Policy revised
July 01, 2018	Policy revised