

## **19-705 CLASSIFIED EMPLOYEE PAY PLAN**

### **SCOPE AND PURPOSE**

This Regulation governs the establishment, maintenance, and administration of the Pay Plan applicable to all positions in the classified service.

### **19-705.01 STATEMENTS OF POLICY**

- A. The Budget and Control Board designates the State Human Resources Director to administer all Budget and Control Board policies and procedures relating to the Pay Plan.
- B. The Office of Human Resources (OHR) shall establish and maintain a Pay Plan to consist of (1) the official classification listing, (2) the official pay bands, and (3) the Regulations and procedures governing the administration of the Pay Plan.
- C. In an agency whose agency head is reviewed by the Agency Head Salary Commission, no employee may receive a salary in excess of 95% of the midpoint of the agency head's salary range or the agency head's actual salary, whichever is greater, except on approval of the Budget and Control Board. Higher education technical colleges, colleges, and universities shall be exempt from this requirement.
- D. The Office of Human Resources is authorized to delegate to agencies by written agreement pay programs that are described in this Regulation. Agencies with a delegation agreement shall comply with all State and federal laws and regulations, Budget and Control Board policies and guidelines, and the provisions contained in the delegation agreement. The delegation agreement shall constitute a contractual relationship between OHR and the requesting agency and may be terminated or altered at the discretion of OHR.
- E. When an employee moves from an unclassified position to a classified position, the employee's pay will be governed by the classified pay plan.
- F. An agency requests for or implementation of an increase in salary shall be requested or implemented when sufficient funds are available. The State Human Resources Director may require submission of appropriate documentation attesting to the availability of funding.
- G. The South Carolina Constitution prohibits an agency from granting extra compensation, fee, or allowance to any public officer, agent, servant, or contractor after services rendered, or contract made, nor authorize payment or part payment of any claim under any contract not authorized by law.
- H. An agency shall maintain documentation appropriate for the administration of this Regulation.

## State Human Resources Regulations

- I. Prior to implementation, agencies shall develop any written policies described in these Regulations to govern the administration of salary increases and decreases.
- J. The State Human Resources Director shall have the authority to make exceptions to Section 19-705.

### **19-705.02 ADMINISTRATION OF THE PAY PLAN**

- A. The Office of Human Resources periodically shall conduct studies for the purpose of making recommendations that will maintain a competitive Pay Plan.
- B. An employee shall be paid within the pay bands in accordance with the provisions of this Regulation.
- C. An employee shall not be paid in excess of the maximum of the pay band for a class, unless such payment is authorized by this Regulation.
- D. Any pay action which requires approval from OHR must receive such approval prior to an agency effecting the action.
- E. Prior to submission to OHR for approval, the agency human resources shall review all proposed pay changes to determine that they are in compliance with the provisions of this Regulation.

### **19-705.03 HIRING SALARIES**

- A. Hiring at the Minimum - An employee must be paid at least the minimum of the pay band for the class to which hired.
- B. Hiring Above the Minimum
  - 1. Exceptional Qualifications – If an individual is exceptionally qualified for the position, OHR may authorize a salary for the individual at a rate above the minimum of the pay band for the class based on written justification submitted by the agency.
  - 2. Special Hire Rate – Based on written justification submitted by the agency, the Office of Human Resources may approve a special hire rate when experience has shown that recruitment of qualified applicants for selected positions in a class has not been possible at the minimum of the pay band.

### **19-705.04 SALARY INCREASES**

- A. Agencies shall develop written policies to govern the administration of salary increases for employees.
- B. Legislative Increase – General and Merit Increases shall be provided to employees in

## State Human Resources Regulations

accordance with the provisions of the annual Appropriation Act.

- C. In-Band Salary Increase - Written justification for awarding an in-band salary increase shall be maintained by the employing agency. An employee's salary may be increased within his current pay band for the following reasons:
1. Performance Increase – An agency may increase an employee's salary based upon performance in accordance with § 8-1-160 of the South Carolina Code of Laws. Such increase shall be determined by the agency. A performance increase shall not place an employee's salary above the maximum of the pay band.
  2. Additional Skills or Knowledge Increase - An in-band increase may be granted when an employee gains additional skills or knowledge directly related to the job. An employee's salary may be increased by up to 15% for the acquisition of additional skills or knowledge, provided such increase does not place the employee's salary above the maximum of the pay band. For an increase of more than 15%, the agency must submit written justification to OHR for approval.
  3. Additional Job Duties or Responsibilities Increase - An in-band increase may be granted when an employee is assigned additional job duties or broader responsibilities, either within his current position or as a reassignment to another position in the same pay band in the employing agency. An employee's salary may be increased by up to 15% for the recognition of the additional job duties or responsibilities, provided such increase does not place the employee's salary above the maximum of the pay band. For an increase of more than 15%, the agency must submit written justification to OHR for approval. Should the additional job duties or responsibilities be removed from the employee within six months of the date that the salary increase was awarded, the salary may be reduced by up to the amount of the additional job duties or responsibilities increase. *(For removal of additional job duties or responsibilities, refer to Section 19-705.05 B. 2.)*
  4. Transfer Increase - An in-band increase may be granted when an employee accepts a position within another agency which is in the same pay band as his current position. An employee's salary may be increased by up to 15% for the recognition of a transfer, provided such increase does not place the employee's salary above the maximum of the pay band.
  5. Retention Increase - An in-band increase may be granted when an employee has a bona fide job offer from another employer, either within or outside of State government, and an agency wishes to retain the services of this employee in his current position. An employee's salary may be increased by up to 15% for the purpose of retention, provided such increase does not place the employee's salary above the maximum of the pay band. For an increase of more than 15% for employees who have bona fide job offers outside of State government, the agency must submit written justification to OHR for approval. An employee shall receive no more than one retention increase in a one-year period.

## State Human Resources Regulations

D. Salary Increases Resulting from Upward Band Changes - An employee's salary may be increased as a result of movement to a higher pay band for the following reasons:

1. Promotional Increase

- a. Upon promotion, the employee must be paid at least the minimum of the pay band of the class to which promoted.
- b. Upon promotion, an employee's salary may be increased by up to 15% of his salary prior to promotion, or to the midpoint of the new pay band, whichever is greater. For an increase of more than 15% and above the midpoint of the pay band, the agency must submit written justification to OHR for approval. Such increase shall not place the employee's salary above the maximum of the new pay band.

2. Reclassification Increase

- a. When an employee's position is reclassified to a class with a higher pay band, the employee's salary shall be increased to at least the minimum of the pay band of the class to which reclassified.
- b. Upon reclassification, an employee's salary may be increased by up to 15% of the salary prior to reclassification, provided such increase does not place the employee's salary above the maximum of the new pay band. For an increase of more than 15%, the agency must submit written justification to OHR for approval.

3. Reallocation Increase - When OHR reallocates a class to a higher pay band:

- a. An employee in that class shall receive a salary increase at least to the new minimum of the new pay band; or
- b. An employee in that class may receive up to a 15% salary adjustment provided such increase does not place an employee's salary above the maximum of the new pay band.

E. An employee is not eligible to receive a salary increase upon downward reclassification or demotion.

F. Return from Leave Without Pay - An employee who has returned from an authorized leave of absence without pay shall be paid at the same rate being paid at the time leave was granted, except that the employee shall be granted any legislative increases authorized during the employee's leave of absence. In determining the amount of adjustment that the employee shall be granted, the same implementation instructions that applied to all employees in that class shall be followed.

**19-705.05 SALARY DECREASES**

- A. Agencies shall develop written policies to govern the administration of salary decreases for employees.
- B. In-Band Salary Decreases - Written justification for effecting any salary decrease shall be maintained by the employing agency. An employee's salary may be decreased within his current pay band for the following reasons:

- 1. Performance Decrease – An agency may decrease an employee's salary based upon performance in accordance with § 8-1-160 of the South Carolina Code of Laws. Such decrease shall be determined by the agency. Performance decreases must not place an employee's salary below the minimum of the pay band. Performance decreases must be based on the results of an Employee Performance Management System (EPMS) evaluation.

- 2. Removal of Additional Job Duties or Responsibilities

Should the additional job duties or responsibilities which justified an additional job duties or responsibilities increase be removed from an employee within six months of the date that the salary increase was awarded or prior to the end of the trial period, the salary may be reduced by up to the amount of additional job duties or responsibilities increase. Such decrease in salary is not grievable or appealable under the State Employee Grievance Procedure Act.

- 3. Assignment of Lower Level Responsibilities

- a. Voluntary Reason - An employee who is voluntarily assigned lower level responsibilities or moved to a position in his current pay band with lower level responsibilities than his current position, may, at the discretion of the agency head or his designee, be paid at any rate within the pay band provided the rate is equal to or below the current salary and provided the employee signs a written statement indicating agreement to the salary decrease. The signed document should be maintained by the agency.

- b. Involuntary Reason – A covered employee who is involuntarily assigned lower level responsibilities or moved to a position in his current pay band with lower level responsibilities than his current position, shall not have his salary reduced for a period of one year from the date of the action unless an exception is approved by the Budget and Control Board or his designee. After the expiration of the one-year period, with the approval of the agency head, or his designee, the employee's salary may be reduced no more than 15% or to the midpoint of the pay band, whichever is lower. An employee exempt from the State Employee Grievance Procedure Act, who is involuntarily assigned lower level responsibilities, may have his salary reduced no more than 15% or to the midpoint of the pay band, whichever is lower, immediately following the assignment of

## State Human Resources Regulations

lower level responsibilities.

If the employee's salary is allowed to remain above the maximum of the pay band, the employee shall not be eligible for pay increases unless:

- (1) Subsequent pay adjustments establish the maximum of the pay band above the employee's rate of pay; or
- (2) The employee is subsequently promoted or his position is reclassified and his current rate of pay is below the maximum for the pay band for the class to which promoted or reclassified.

C. Salary Decreases Resulting from Downward Band Changes - Written justification for effecting any salary decrease shall be maintained by the employing agency. An employee's salary may be decreased as a result of movement to a lower pay band for the following reasons:

### 1. Demotion and Downward Reclassification Decreases

- a. Voluntary Reason - An employee who voluntarily has his position reclassified to a class with a lower pay band or is demoted to a position in a lower pay band, may, at the discretion of the agency head or his designee, be paid at a salary equal to or below the current salary. However, the rate must be within the lower pay band and the employee must sign a written statement indicating agreement to the salary decrease. The signed document should be maintained by the agency.
- b. Disciplinary or Performance Reason - An employee who, as the result of a disciplinary action or unsatisfactory rating on an EPMS evaluation, has his position reclassified to a class with a lower pay band or is demoted to a position in a lower pay band, may, at the discretion of the agency head, be paid at a rate equal to or below the current salary, but within the lower pay band.
- c. Involuntary or Non-Disciplinary Reason – When a covered employee is demoted due to involuntary or non-disciplinary reasons or when an occupied position is reclassified to a class in a lower pay band for these reasons, the employee's salary shall not be reduced for a period of one year from the date of the demotion or downward reclassification unless an exception is approved by the Budget and Control Board. After the expiration of the one-year period, with the approval of the agency head or his designee, the employee's salary may be reduced no more than 15% or to the midpoint of the pay band, whichever is lower. An employee exempt from the State Employee Grievance Procedure Act, who is involuntarily demoted or downwardly reclassified may have his salary reduced no more than 15% or to the midpoint of the pay band, whichever is lower, immediately following the demotion or downward reclassification.

If the employee's salary is allowed to remain above the maximum of the lower

## State Human Resources Regulations

pay band, the employee shall not be eligible for pay increases unless:

- (1) Subsequent pay adjustments establish the maximum of the pay band above the employee's rate of pay; or
  - (2) The employee is subsequently promoted or his position is reclassified and his current rate of pay is below the maximum for the pay band for the class to which promoted or reclassified.
- d. An employee who is promoted or his position is reclassified upward, and subsequently demoted or his position is reclassified downward prior to attaining permanent status in a class of a higher pay band, shall have a reduction in pay as follows:
- (1) When an employee is demoted or his position is reclassified to the previous class or to a class with the same pay band held prior to promotion or reclassification, or to a class with a lower pay band, the employee's salary will be reduced by the amount previously received upon promotion or upward reclassification provided the salary will not exceed the maximum of the pay band for the class to which demoted or downwardly reclassified.
  - (2) When an employee is demoted or his position is reclassified downward to a class having a higher pay band than the original position, the employee's salary will be reduced by the amount previously received upon promotion or reclassification and the employee's new salary will be established in accordance with Section 19-705.04 D.

### 2. Downward Band Reallocation

When a class is reallocated to a lower pay band, the pay of an employee shall not be changed as a result of this action for a period of one year from the date of the action unless an exception is approved by the Budget and Control Board. After the expiration of the one-year period, with the approval of the agency head, the employee's salary may be reduced no more than 15% or to the midpoint of the pay band, whichever is lower. If the employee's salary exceeds the maximum of the new pay band, the employee shall not be eligible for pay increases of any type unless:

- a. Subsequent pay adjustments establish the maximum of the pay band above the employee's rate of pay; or
- b. The employee is subsequently promoted or his position is reclassified, and his current rate of pay is below the maximum of the pay band for the class to which promoted or reclassified.

### **19-705.06 SPECIAL SALARY ADJUSTMENTS**

The State Human Resources Director is authorized to approve pay actions outside the provisions of Section 19-705.04 and 19-705.05 if circumstances warrant such approval.

### **19-705.07 COMPENSATION NOT INCLUDED IN BASE SALARY**

- A. Temporary Salary Adjustment – The Office of Human Resources is authorized to approve a temporary salary adjustment for an employee in a full-time equivalent (FTE) position if circumstances warrant such approval. The temporary salary adjustment must be removed when the circumstances that warranted such an increase are no longer present.
- B. Shift Differential Pay - The Office of Human Resources may approve the additional payment of a shift differential for classifications of employees in the entire agency or any portion of the agency assigned to an evening, night, weekend, rotating, or split shift. To qualify the shift for approval, the majority of hours of the shift must be outside the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. The employee's pay shall be adjusted by the amount approved, even if such amount increases the employee's salary above the maximum of the pay band for the class.
- C. On-Call Pay - On-call pay is pay by the employing agency for classifications of employees in the entire agency or any portion of the agency to remain available to return to work within a specified period of time. The Office of Human Resources must approve on-call pay for employees.
- D. Call Back Pay - Call back pay is pay by the employing agency for an employee to report to work either before or after normal duty hours to perform emergency services. Each agency shall determine which groups of employees shall be subject to call back. Nonexempt employees shall be compensated for hours worked as a result of a call back at their regular hourly rate plus any shift differential for which they might be eligible and such time shall be counted in computing any overtime that may be due. When an employee to be called back for emergency services which require less than two hours on the job, or when no work is available when he reports, the employee shall be compensated a minimum of two hours. An employee shall not receive call back pay if:
  - 1. The call back has been canceled and the employee received notice in advance not to report to work, or
  - 2. The employee refuses alternate work that is offered upon reporting to work.
- E. Special Assignment Pay – The Office of Human Resources may approve additional compensation to classifications of employees in the entire agency or any portion of the agency for periods of time when he is on special assignment if circumstances warrant such approval based on guidelines established by OHR.

## State Human Resources Regulations

- F. Market or Geographic Differential Pay - The Office of Human Resources may approve Market or Geographic Differential Pay for classifications of employees in the entire agency or any portion of the agency for periods of time when circumstances warrant such approval.
- G. Bonuses – The General Assembly has authorized various programs through which agencies may award bonuses to employees. Agencies shall comply with guidelines established by the Budget and Control Board in the administration of bonus programs.
- H. Longevity Pay
- The Longevity Salary Increase Program was discontinued in 1986. Individuals awarded longevity increases prior to the discontinuance of the program will continue to receive such previously awarded increases until termination of employment with State government. To calculate a salary increase for an employee who is presently receiving longevity pay, an agency shall:
1. Deduct the longevity increase from the total compensation;
  2. Calculate the increase on the reduced salary in accordance with applicable provisions of Section 19-705.03; and
  3. Add the longevity increase to the new salary.
- I. Grant Salary Adjustment - The Office of Human Resources is authorized to approve a grant salary adjustment for an employee in an FTE position if circumstances warrant such approval. The grant salary adjustment must be removed when the circumstances that warranted such an increase are no longer present.

### **19-705.08 EFFECTIVE DATES OF SALARY CHANGES**

- A. The effective date of all salary changes provided in this Regulation shall be no earlier than the date the action is approved by the appropriate authority.
- B. Retroactivity
- Agencies must comply with Article III, § 30 of the South Carolina Constitution regarding retroactivity.
- C. Concurrent Increases
1. When general increases and other salary increases are awarded on the same date, the general increase shall be applied prior to any other salary increases.
  2. When performance pay increases under § 8-11-940 of the South Carolina Code of Laws and salary increases other than general increases are awarded on the same date,

## State Human Resources Regulations

the performance pay increases shall be applied prior to any other salary increases.

### D. Budgetary Limitations

In the case of budgetary limitations, OHR may approve exceptions to those salary increases that require approval by OHR regarding the effective date of salary increases based on written justification provided by the agency. Agencies should document internally the need to make exceptions regarding the effective date of salary increases for those increases for which they have approval authority.