

REGULATION

SPDOC No.: 07-14	Effective Date: October 7, 2007	Index Reference: Salary Schedule	Regulation Number: 5.01
Issued By: Compensation	Rule Reference: Rules: 5-1 (Civil Service Compensation Plan) 5-2 (Hours of Service) 5-3 (Compensation Schedules)		Replaces: Reg. 5.01 (SPDOC 05-02, February 27, 2005)
Authority: Regulations are issued by the State Personnel Director under authority granted in the Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations are subordinate to the Commission Rules.			
Subject: GENERAL SALARY SCHEDULE ADMINISTRATION			

TABLE OF CONTENTS

1. PURPOSE	2
2. CIVIL SERVICE COMMISSION RULE REFERENCE	2
3. STANDARDS	4
A. Full and Part-time Employees.....	4
B. Schedule Establishment and Amendment.	4
C. Salary Range.....	5
D. Movement Within the Salary Range.	5
E. Salary Upon New Hire (Initial Appointment).....	6
F. Salary Upon Personnel Action Other Than New Hire (Standard E.), Reduction in Force (Standard G.), or Recall (Standard H.).	6
G. Salary Upon Reduction in Force.	7
H. Salary Upon Recall.	7
I. Salary for Working Out of Class (WOC).	7
J. Salary Upon Return from Leave of Absence.....	8
K. Salary Upon Return from Military Leave of Absence.	8
L. Salary Upon Appointment to and Reclassification from Departmental Trainee, Transitional Business & Administrative Technician, Transitional Professional, and Transitional Manager Positions.....	8
M. Salary Upon Appointment to Other Entry Level Professional Classifications.....	8
N. Training Rate Upon Job Change Within Group 1 of the Classification Plan.	9
O. Special Pay Application.	9

P. Special Work Schedule.....	9
Q. Exceptions.	9

1. **PURPOSE**

This regulation establishes the standards and procedures for administration of the compensation schedules approved by the Civil Service Commission.

2. **CIVIL SERVICE COMMISSION RULE REFERENCE**

Note: This Section 2 reprints only selected Commission Rules for quick reference by the reader. Additional Rules (that are not reprinted below) may apply. The complete, current version of the Rules can be found at www.michigan.gov/mdcs.

Rule 5-1 Civil Service Compensation Plan

* * *

5-1.2 Amendments to Compensation Plan

The civil service commission may amend the compensation plan at any time, consistent with article 11, section 5, of the constitution. The state personnel director may submit to the commission recommended amendments to the compensation rules at any time. The director shall also submit to the commission for its review (1) any proposed collective bargaining agreement or amendment agreed to by the state employer and an exclusive representative, (2) any recommendation of the impasse panel, and (3) any recommendation of the coordinated compensation panel.

* * *

Rule 5-2 Hours of Service

5-2.1 Work Period

- (a) ***Standard work period.*** *The standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work.*
- (b) ***Alternative work periods.*** *The state personnel director may issue regulations that establish alternative work periods and measures of equivalent full-time service. The regulations may conform the compensation plan to the alternative periods and measures.*

* * *

Rule 5-3 Compensation Schedules

5-3.1 Compensation Schedules

The civil service commission shall approve compensation schedules that establish the rates of compensation for each class of positions in the classified service. The rates of compensation authorized are for full-time employment. Payment for part-time service is proportionate to the time actually worked. If a new classification is added to the

classification plan, the state personnel director shall initially establish the rates of compensation for the classification.

** * **

5-3.3 Individual Compensation

The appointing authority shall assign the individual level of compensation for each classified employee as provided in the compensation plan. The individual level of compensation must fall within the range of rates of compensation approved by the civil service commission for the employee's classification level. If the appointing authority implements an approved salary-range subdivision, the individual level of compensation of an employee subject to the subdivision must also fall within the approved agency range of rates for the subdivision. Any exception must be approved by the state personnel director.

5-3.4 Operation of Compensation Schedules

An employee in the classified service cannot be paid less than the minimum nor more than the maximum authorized in the compensation plan, unless authorized by the state personnel director.

- (a) **Initial appointment.** On initial appointment, an employee is paid the minimum salary step in the salary range unless the appointing authority chooses to pay a higher initial salary as authorized in the compensation plan.*
- (b) **Schedules with steps.** If the compensation plan creates steps in the pay range, an employee receives pay increases in the amounts and at the intervals provided for in the compensation schedule for the employee's classification level. An employee under an unsatisfactory probationary, interim, or follow-up rating is not eligible for a step increase.
 - (1) **Effective date.** Any pay increase is effective at the beginning of the first pay period after the employee becomes eligible.*
 - (2) **Advancement.** An employee advances in pay by successive steps of the pay range for the employee's classification level, as provided in the compensation plan, unless a special increase is granted in accordance with the compensation plan.*
 - (3) **Reduction of pay.** An appointing authority may, for cause, reduce the pay of an employee receiving more than the minimum step for the classification level.*
 - (4) **General schedule revision.** If the compensation schedule is amended, an employee is paid at the salary step corresponding in length of service to the step at which that employee was being paid in the previous salary range for the classification level.**

** * **

- (e) **Salary rate for temporary projects.** Upon request of an appointing authority, civil service staff may approve alternative or supplemental compensation that exceeds the scheduled maximum rate of pay for an employee assigned to a temporary project. The appointing authority must receive written authorization for the project pay from civil service staff before the employee is assigned to the project.*

Temporary project pay may not exceed two years without the written authorization of the state personnel director.

- (f) **Red-circled pay treatment.** *The state personnel director may authorize an employee's salary to be red-circled. An employee whose pay is red-circled continues to be paid at the employee's red-circled salary rate until the scheduled maximum salary of the employee's classification or classification level equals or exceeds the red-circled salary rate. An employee whose salary is red-circled is not eligible for any portion of a general wage adjustment that exceeds the maximum of the employee's classification or classification level.*

5-3.5 Salary Rate Upon Change in Classification, Return from Layoff, or Reinstatement

An employee who moves from one classification to another and who returns from layoff or is reinstated after separation is paid in the new classification at the appropriate salary step in accordance with the compensation plan.

3. STANDARDS

A. Full and Part-time Employees.

All annual, monthly, and biweekly rates of pay authorized in the compensation plan are for full-time employment. Payment for part-time employment is based on time in pay status.

B. Schedule Establishment and Amendment.

The Civil Service Commission has established a compensation schedule covering all positions in the classified service, which consists of salary ranges to which all classification levels in the classified service are assigned.

1. **Schedule Amendments.** The Civil Service Commission amends the schedule as necessary. If the schedule is amended, compensation is adjusted as follows:
 - a. **General Salary Schedule Adjustment.** An employee remains at the same salary step in the adjusted range unless the Civil Service Commission has authorized a different step.
 - (1) An employee at a red-circle rate is not eligible for a general salary schedule adjustment unless the adjustment increases the maximum of the employee's appropriate salary range to a rate equal to or higher than the red-circle rate, at which time the rate in the appropriate range replaces the red-circle rate.
 - (2) An employee occupying a frozen position or frozen classification is eligible for general increases.
 - b. **Salary Upon Appointment To a Newly Established Classification.** When an employee is appointed to a newly established classification, salary is determined in accordance with standard F.

C. Salary Range.

An employee must not be paid less than the minimum nor more than the maximum of the salary range for the classification level to which assigned. The employee is paid only at the precise increments listed in the compensation schedule, except as provided below.

1. **Salary for Red-Circled Employees.** An employee designated as red-circled may be paid at a rate in excess of the maximum salary rate for the classification to which assigned in the position that is red-circled. If an employee moves to a different position, the employee may not retain the red-circled pay.
2. **Salary Upon Special Project Basis.** For employment on a project basis not involving continual employment, the State Personnel Director may establish an alternative hourly rate of pay or lump sum award that exceeds the scheduled maximum pay. Application for project pay must be made by the appointing authority in advance of the employment assignment.

D. Movement Within the Salary Range.

An employee progresses from one step to the next higher step within the salary range upon completion of the required number of hours in pay status, if the employee's current rating is satisfactory.

1. **Effect of Unsatisfactory Service Rating.** An employee who has received an unsatisfactory service rating does not have any time in pay status credited as hours since the last step while the unsatisfactory service rating is in effect. Upon return to satisfactory status, earning of hours since the last step resumes from the number accrued when credit was stopped.
2. **Teacher Salary Schedules.** An employee assigned to a 42-week or 46-week teacher salary schedule is eligible for progression to the next higher salary step upon completion of the annual work schedule, if the employee's current rating is satisfactory. When an employee in a teacher classification qualifies for a higher academic salary schedule by completing the scholastic requirements, the employee is paid at the same step in the new schedule and retains hours since the last step.
3. **Accelerated Step Increases.** The State Personnel Director may authorize advancing an employee whose current rating is satisfactory to a higher step in the salary range at an accelerated rate upon application by the appointing authority.
 - a. An appointing authority may advance an employee without prior approval if any of the following apply:
 - (1) The employee has completed special assignments that have resulted in a major benefit to the employee's agency.
 - (2) The employee has performed outstanding service, for reasons that have been documented.
 - (3) An employee's pay rate has been determined in accordance with standard F., and an additional step is necessary to provide

additional compensation in special circumstances which have been documented.

- b. Special step increases are normally limited to the next higher step in the range. The appointing authority must document all special step increases. The documentation must include justification for the step increase and reasons for granting more than one step. The documentation must be retained for audit purposes, in accordance with the retention schedule.
 - c. Special step increases are normally effective on a prospective basis. If an appointing authority processes a retroactive special step increase based upon documented extenuating circumstances, any retroactivity must be within 7 pay periods of the date the increase is processed.
4. **Reduction of Pay.** The appointing authority must receive prior approval from the State Personnel Director to reduce the salary of an employee. Requests must contain all pertinent information, including the amount of reduction and the justification for the proposed action. The employee's rate of pay must not be reduced below the minimum rate for the classification level.

E. Salary Upon New Hire (Initial Appointment).

Upon first appointment to a position, an employee is paid the minimum rate in the salary range. The State Personnel Director may authorize a higher starting rate upon application by the appointing authority. An appointing authority may authorize a higher rate without prior approval if any of the following apply:

1. The position has been vacant for a long period of time and there is difficulty in recruiting for the particular position.
2. The prospective employee is currently employed outside the classified service and a salary in excess of the minimum is necessary to attract the prospective employee.
3. The prospective employee has special experience and/or education which should be well beyond the minimum qualifications contained in the specification for classification of the position.
4. The prospective employee was previously a state employee and has experience pertinent to the position.

Note: The appointing authority must document the reason for an above minimum starting rate when one of the above conditions applies. The documentation must be retained for audit purposes.

F. Salary Upon Personnel Action Other Than New Hire (Standard E.), Reduction in Force (Standard G.), or Recall (Standard H.).

1. If the former and the new classification level share the same pay range, or if the former and new positions are in the same classification level and the employee is moving from an included position to an excluded position or vice versa, the employee is placed at the same step in the range. If the maximum rates are the same and the steps are different, the employee is placed at the closest rate without a decrease. The employee's hours since the last step are retained.

2. If the maximum rate of the new classification level is higher than the maximum rate of the former classification level, the employee's rate of pay may be calculated in one of the following ways:
 - a. If the maximum rate of the new classification level is higher than the maximum rate of the former classification level, the employee's rate of pay is the lowest step in the range for the new classification level that reflects a salary increase that is not less than the difference between the minimum and the first step in the range for the former classification level, if possible. The employee's hours since the last step are set to zero.
 - b. An agency may request an individual or blanket approval for a different rate of pay if the maximum rate of the new classification level is higher than the maximum rate of the former classification level. Civil Service must approve the different rate of pay before implementation. It may not be used for working out of class payments, unless an exception has been approved by the State Personnel Director for a specific situation.
- Note: If an employee is due a step increase on the same day as this standard is applied, the employee receives the step increase first, and that step is used to determine step placement in the new range.
3. If the maximum rate of the new classification level is less than the maximum rate of the former classification level, the employee is placed at the closest step in the new range that reflects no increase. The employee's hours since the last step are retained.
 4. If an employee moves within the same classification and level to a new HRMN pay grade, the employee is placed at the same step in the new pay range and retains hours since the last step. Examples include Services Specialists and some State Police Lieutenant classifications, where different HRMN pay grades exist within the same classification level. Teacher salary schedules are covered under standard D.2., above.

G. Salary Upon Reduction in Force.

If an employee is moved to a different classification as the result of a reduction in force, the employee is placed at the closest step in the new range that reflects no increase. The employee's hours since the last step are retained.

H. Salary Upon Recall.

If an employee is recalled, the rate of pay is determined based upon the rate and range at the time of displacement in conjunction with standard F. The employee's hours since the last step are retained.

I. Salary for Working Out of Class (WOC).

An employee eligible for WOC compensation in accordance with regulation 4.08 [Working Out of Class] is compensated by application of standard F.2.a. of this regulation, if the range for the WOC classification is a step-in-grade salary range. If the employee is eligible for WOC compensation in a performance-pay classification, regulation 5.07 [Performance-Pay Programs] applies.

1. If an employee is eligible for WOC compensation, payment is processed as a gross pay adjustment (GPA).

2. Holidays or leave time used are not paid at the WOC rate until after completion of the first 10 workdays of the assignment.
3. If an employee eligible for WOC compensation is assigned to work out of class in a preauthorized series, the employee is paid at the appropriate step for the classification level for which the employee meets the required education and experience, typically the entry level.
4. The appointing authority must retain adequate documentation to substantiate WOC compensation for audit purposes.

J. Salary Upon Return from Leave of Absence.

If an employee returns from an approved leave of absence, the rate of pay and hours since the last step are determined as follows:

1. If an employee returns to a position in the same classification level, the employee returns to the same step in the range as when the leave of absence began. The employee's hours since the last step are retained.
2. If an employee returns to the same position, but the position has been reclassified to a higher level, the employee's rate of pay is determined in accordance with standard F.2.

K. Salary Upon Return from Military Leave of Absence.

If a veteran returns to the same position from an approved military leave of absence and the veteran's last service rating prior to the leave of absence was satisfactory, the veteran is placed at the step in the range which would have applied had there been no interruption of state service. If the veteran's last service rating prior to the leave of absence was unsatisfactory, the veteran is placed at the same step in the range as when the leave of absence began.

L. Salary Upon Appointment to and Reclassification from Departmental Trainee, Transitional Business & Administrative Technician, Transitional Professional, and Transitional Manager Positions.

If an employee is appointed to a Departmental Trainee or to a position designated as transitional, the employee's salary may be retained or reduced as provided below:

1. Upon appointment, the employee maintains the current rate of pay if it is less than or equal to the maximum of the classification level to which the employee will be reclassified upon completion of the transition period. If the employee is paid more than the classification level to which the employee will be reclassified, the employee is paid at the maximum of the classification level to which the employee will be reclassified.
2. Upon successful completion of the required transition period, the employee is reclassified to the appropriate technician, professional, or managerial classification. Upon reclassification, the closest rate in the new pay schedule that is not a decrease is assigned.

M. Salary Upon Appointment to Other Entry Level Professional Classifications.

The employee is normally assigned to the minimum step of the salary range. The employee may be assigned to a step higher than the minimum in accordance with

standards E., F., G., or H. Any step placement above the minimum step must not exceed a pay rate that will enable the employee to receive a promotional increase under standard F.2. upon timely reclassification to the intermediate level of the classification series; i.e., **the entry level rate cannot exceed the maximum step of the intermediate level in the classification series.**

N. Training Rate Upon Job Change Within Group 1 of the Classification Plan.

The training rate is: (A) the employee's current rate or the maximum rate of the new classification series' experienced level, whichever is less, when the current rate exceeds the new pay range max (see subsection 1., below); or (B) the closest step in the new range without a decrease, when the employee's current rate is less than the new pay range max (see subsection 2., below).

1. Training rate exceeds the maximum rate for the new classification level.

Upon appointment to the new classification series at the entry or intermediate level, when the employee's training rate exceeds the maximum rate of the new level, the employee's pay step is set at the employee's current rate, or the maximum rate of the new series experienced level, whichever is less. Civil Service will authorize use of the "Training" pay schedule to enable the appointing authority to enter a rate above the maximum. When an employee is eligible to move out of the "Training" pay schedule, the closest rate in the new pay range that is not a decrease is assigned.

2. Training Rate is less than the maximum rate for the new classification level.

Upon appointment to the new classification series at the entry or intermediate level, when the employee's current rate is less than the maximum of the new range, the employee's pay step is set at the closest step in the new range without a decrease. The employee's hours since the last step are retained. The employee is eligible to receive step increases.

O. Special Pay Application.

An appointing authority may require an employee to work under special conditions not covered by specific provisions of these regulations. Additional compensation for such applications may be authorized by the State Personnel Director upon application by the appointing authority.

P. Special Work Schedule.


Employees at the Michigan School for the Deaf and Blind who work on a school year basis are considered annual employees for purposes of service credits.

Q. Exceptions.

Exceptions to the standards contained in this regulation must be approved by the State Personnel Director.

CONTACT

Questions regarding this regulation should be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone, at 517-335-7862, 517-373-7618, or 1-800-788-1766; or by e-mail to MDCS-Compensation@michigan.gov.

 *Reg 5.01 Gen Salary Schedule Adm.doc*