

Town of Merrimac Compensation Policy for Unaffiliated Personnel

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A. Purpose

1. The objectives of the Town's Unaffiliated Compensation Program are:
2. To be responsive to the unique and changing needs of the Town and personnel.
3. To recognize and reward staff for their contribution to the organization
4. To pay salaries that are competitive with salaries in the marketplace in order to attract and retain a fully competent workforce.
5. To enable personnel to receive salary increases based on job performance and contribution.

B. Eligibility

1. The Compensation Program applies to all unaffiliated personnel of the Town, bargaining unit members and are not included.

C. Pay/Job Classification

1. The Pay/Class Plan for the Town of Merrimac is used to classify all jobs. In this system, each job is assigned a classification title, grade level, and a salary range. The level assigned to a job is based on the nature and type of contribution it makes. The salary range assigned to a job is determined by its market value with similar communities.

D. Job Description & Position Audits

1. A job description is written for each covered position in the Town, describing the duties, responsibilities and qualifications required for the position. The job description should provide the present requirements of the position only. It is not intended to document the position as it existed in the past or as it might be in the future. This job description should not be viewed as a vehicle to describe an individual's level of performance. The job description should be completed by the incumbent, if applicable, then reviewed by the department head and approved the Board of Selectmen.

2. The information in the job description was developed by trained compensation analysts. The results of the evaluations were discussed with the appropriate personnel to determine whether the information in the documentation accurately described the duties, responsibilities, and qualifications of the position. A copy of the approved job descriptions should be retained in the originating department and with the Finance Director.
3. Positions may be audited at any time by compensation analysts in order to assure the equity and consistency of job classifications.

E. Hiring Range & Starting Salaries

1. A hiring official may post a hiring range from the minimum of the assigned range up to the market or salary range midpoint of a job, whichever is higher.
2. When determining starting salaries, a hiring department in consultation with the Finance Director will consider the applicant's prior experience and/or education directly related to the position to ensure internal equity. A department may pay starting salaries up to the salary range midpoint of a job. With appropriate justification and documented approval by the Finance Director and by the Board of Selectmen, a hiring official may offer higher starting salaries.

F. Performance and Salary Review

1. Annually on or by the employee's anniversary date, written performance and salary reviews shall be conducted for all employees. Performance increases are not automatic, but are based on individual merit. Department Heads are encouraged to recognize differences in performance levels in awarding increases.
2. The annual performance salary increase given to an employee shall be based on the employee's performance and the Town's established annual salary increase guidelines. These increases are awarded on the employee's anniversary date.

G. Developmental Increase

1. A department may grant a developmental increase to an employee who demonstrates increased skill and proficiency, and growing competency and job maturity while in the current job. An established developmental growth plan with defined milestones must be approved by the department, Finance Director and Board of Selectmen before a developmental increase may be awarded. The amount and timing of the developmental increase will depend on the developmental growth plan for the employee. A developmental increase is awarded in addition to an employee's annual salary increase and will not change an employee's annual salary review date. In implementing a developmental increase, documentation must be submitted to the Finance Director. The documentation will be placed in the employee's personnel file.

H. Promotion Increase

1. An employee can receive Market-based Promotion increase when moving to a job that has been classified at a higher salary range.
2. The amount of salary increase will include a pro-rated merit increase and will be determined by the department in collaboration with the Department Head and the Finance Director based on the market reference or salary range midpoint for the job, the employee's current salary, qualifications

and relevant work experience, and other factors such as the size of the promotion, internal equity, and departmental salary budget. The promotion increase may be communicated to the employee only after the department and the Finance Director and have reached an agreement on the appropriate amount of the promotion increase, and the Board of Selectmen have approved the increase.

3. The effective date of a promotion is the date the promotional position is assumed.

I. In-Range Salary Increase

1. An in-range salary increase is given to recognize an employee for meaningful increased duties and responsibilities in the current job classification (without a change in classification level and/or salary range). An in-range salary increase should not exceed the annual salary increase guidelines. No more than one in-range salary increase may be given within a 12 month period. An in-range salary increase does not change the staff member's annual salary review date.

J. Demotion

1. When moved to a job with a lower salary range and/or lower contribution level, an employee's salary may be reduced. Also, future salary increases may be reduced until the employee's salary falls appropriately in line with the new salary range. The employee's salary review date remains unchanged.

K. Salary Equity Adjustment

1. A department may consider making salary adjustments to correct an inequity in employee salary. Based on appropriate documentation, the amount of salary equity adjustment is determined by the department in collaboration with the Finance Director. The department must ensure that funds are available before making a salary equity adjustment. A salary equity adjustment does not typically alter an employee's annual salary review date. There are two types of equity adjustments.
 1. An internal equity adjustment may be made when an inequity exists between the salary of an employee member and other employees in the same job and with comparable experience, qualifications, and performance. It may also be given when salary compression exists among incumbents of different jobs.
 2. An external equity salary adjustment or market adjustment may be made to adjust a salary to the market reference point of comparable jobs. An employee's experience, qualifications, and performance must be considered when determining the need to make an external equity or market adjustment.

L. Acting Pay

1. Acting pay may be awarded for assuming significant responsibilities for a higher level job for a period longer than one month from the date an employee is placed on acting status. In consultation with the Finance Director, the department will determine the appropriate acting pay to award and how it will be paid based on a combination of factors, i.e., nature, scope, significance and impact of responsibilities to be performed; length of acting assignment; job classification (role, level and salary range) of the higher level job; impact on the employee's primary responsibilities in the current job; impact on the number of hours required to complete all work assignments; eligibility to

receive overtime payment if the job is non-exempt. Acting pay will typically be based on the midpoint of the higher salary range. Internal equity with employees in the higher range job title will need to be considered. Otherwise, monetary recognition of the additional effort should be made at the time of the employee's annual performance and salary review or through a one-time discretionary bonus/pay supplement.

M. Changes to Salary Range Structure

1. Employees whose salaries are below the revised minimum of their salary range should be brought to the new minimum. This adjustment should not affect the normal salary review date.