

## **Personnel Rule 3.1 – Step Progression Pay Program**

### **3.1.0 Authority**

SMC 4.04.040 and subsequent revisions thereto, Administration

SMC 4.04.050 and subsequent revisions thereto, Rule-Making Authority

SMC 4.20 and subsequent revisions thereto, Compensation and Working Conditions Generally

### **3.1.1 Definitions**

- A. "Appointing authority" shall mean the head of an employing unit authorized by ordinance or City Charter to employ others on behalf of the City, or a designated management representative. The term includes and can be used interchangeably with department head, department director, superintendent or chief.
- B. "Classified service" shall mean all employment positions in the City that are not excluded by ordinance, City Charter or State law from the provision of Seattle Municipal Code Title 4 or the Personnel Rules.
- C. "Compensation review" shall mean an evaluation of the salary range assigned to a classification or title.
- D. "Demotion" shall mean the movement of an employee from his or her current classification to a classification with a lower maximum salary rate, for cause.
- E. "Exempt employee" shall mean an at will employee who serves at the discretion of the appointing authority in a position that is exempted by ordinance, City Charter or State law from compliance with the provisions of the Personnel Rules or Seattle Municipal Code Title 4 related to selection, discipline, termination or appeals of personnel actions to the Civil Service Commission.
- F. "FLSA" shall mean the Fair Labor Standards Act, which regulates minimum wage and overtime compensation requirements.
- G. "Hourly employee" shall mean an employee who is compensated on an hourly basis for each hour of work performed, including time worked beyond 40 hours in a work week.
- H. "Incumbency rate of pay" shall mean the rate of pay an employee receives when his or her position has been the subject of a classification or compensation action that resulted in assignment to a salary range with a maximum rate of pay that is lower than the rate of pay the employee received prior to the action. The incumbency rate of pay is the same as the pay rate the employee received immediately before the current classification or compensation action became effective.
- I. "Initial appointment" shall mean the first appointment of an individual to a non-temporary position.
- J. "Lateral movement" shall mean the movement of an employee from one position to another position with the same classification or job title or salary range.

- K. "Out-of-class assignment" shall mean the assignment of an eligible employee to perform the normal ongoing duties of a higher-paying position or classification on a temporary basis in order to avoid a significant interruption of services.
- L. "Pay program" shall mean a grouping of job titles that are compensated using the same pay structure and placement and progression rules.
- M. "Seattle Human Resources Director" shall mean the director of the Seattle Department of Human Resources or his or her designated management representative.
- N. "Promotion" shall mean an appointment to a position with a higher maximum pay rate than the position from which the employee is appointed, that occurs subsequent to an employee's initial appointment.
- O. "Reduction" shall mean the non-disciplinary movement of an employee from a higher-paying classification to a lower-paying classification at the request of the employee to be reduced, or by the appointing authority or his or her designated representative, for reasons of organizational change, reduction in force, poor job match, or to accommodate an injured or disabled worker.
- P. "Regularly appointed employee" shall mean an individual who has a probationary, regular or exempt appointment to a position of City employment.
- Q. "Salaried employee" shall mean an employee who is not covered by the Fair Labor Standards Act who regularly receives each pay period a predetermined amount constituting all or part of compensation. This base salary cannot be reduced because of variations in the quality or quantity of work performed.
- R. "Salary range" shall mean the minimum and maximum pay rates for a classification and all of the incremental pay rates between.
- S. "Step Progression Pay Program" shall mean a compensation system that provides for salary progression based on length of service.

### **3.1.2 Application of this Rule**

- A. This Rule applies to regularly appointed employees in titles assigned to the Step Progression Pay Program.
- B. For regularly appointed employees who are represented under the terms of a collective bargaining agreement, this Rule prevails except where it conflicts with the collective bargaining agreement, any memoranda of agreement or understanding signed pursuant to the collective bargaining agreement, or any recognized and established practice relative to the members of the bargaining unit.
- C. This Rule does not apply to individuals who are employed under the terms of a grant that includes compensation provisions that conflict with this Rule.
- D. This Rule does not apply to individuals hired by the City on a temporary, intermittent or seasonal basis, or for a work schedule of fewer than 20 hours per week, nor does it apply to individuals hired under contract to the City.
- E. Appointing authorities may establish written policies and procedures for the implementation and administration of this Rule to facilitate the management of the personnel system within their employing units, provided that such procedures do not conflict with the provisions of this Rule.

### **3.1.3 Assignment of Salary Range**

- A. The Seattle Human Resources Director shall determine the proper salary ranges for all job classifications compensated under the Step Progression Pay Program. This determination will be based on criteria established by the Seattle Human Resources Director, which may include but need not be limited to recruiting and retention problems, relevant labor markets, internal comparisons, and scope and complexity of assigned work. The City Council must legislate and the Seattle Human Resources Director shall publish all new titles and compensation rates.
- B. The Seattle Human Resources Director may conduct a compensation review for an existing classification when the appointing authority or the position incumbent(s) in the classification provides evidence of need, or when otherwise deemed necessary by the Seattle Human Resources Director. The City Council must legislate a change to an existing classification's salary range.
- C. The rate of compensation set for a position by the Seattle Human Resources Director may not be appealed.

### **3.1.4 Salary Step Placement for the Step Progression Pay Program**

- A. Initial Appointment. Employees will be placed at the first step of the salary range assigned to a classification upon initial appointment to a position in the classification, unless the appointing authority approves a salary step exception for reasons of recruiting difficulties, or because the first step creates an inequity for a potential appointee relative to his or her qualifications and current or expected compensation package.
- B. Promotion. An employee who is promoted will be placed at the step in the new salary range which provides an increase closest to but not less than one salary step over the most recent step received in the previous salary range immediately preceding the promotion, not to exceed the maximum step of the new salary range. If the promotion is from a position within the classified service to an exempt position, or is from one exempt position to another, the appointing authority may grant placement at any step in the higher salary range, not to exceed the top step of the higher salary range.

All regular straight-time hours worked in an out-of-class assignment will count toward salary step placement upon appointment to the same classification as such out-of-class assignment, provided:

1. The out-of-class assignment ended not more than 12 months prior to the regular appointment; and
  2. The appointment is to a position compensated under the Step Progression Pay Program.
- C. Reduction. When an employee is reduced for non-disciplinary reasons to a position in a classification with a lower maximum salary step, step placement will be at the step in the lower range which is closest to the step received in the higher range immediately before the reduction. Such step placement shall not result in a loss of pay unless the step the employee received before the reduction exceeds the

top step of the lower range. For purposes of calculating credit for salary step progression, all service since the last step increment in the higher range is counted, provided the reduction is from a position in the Step Progression Pay Program.

If an employee subsequently returns from non-disciplinary reduction to the former classification, the salary step placement will be to the step from which he or she was originally reduced.

- D. Demotion. When an employee is demoted to a position in a classification with a lower maximum salary step, the salary step placement will be at the step of the lower range which is closest to the step most recently received in the higher salary range, not resulting in a salary increase. For purposes of calculating credit for salary step progression, all service since the last step increment in the higher range is counted, provided the demotion is from a position in the Step Progression Pay Program.

An employee who is demoted has no right of return to his or her former classification. If he or she is subsequently appointed to the former classification as the result of a competitive selection process, salary step placement is calculated as in promotion.

- E. Lateral movement. An employee who moves from one classification or job title to another classification or job title with the same salary range will be placed at the same step in the range as he or she holds immediately prior to the movement. Time served in both the old classification or title and the new classification or title will be combined for purposes of step progression, provided the lateral movement is between positions in the Step Progression Pay Program.
- F. Appointment to the classified service from an exempt position. An exempt employee who does not have prior standing in the classification to which he or she is appointed shall be placed as in initial appointment unless the appointing authority approves a salary step exception. An exempt employee who returns to the classified service shall be placed as in promotion, reduction or lateral movement.
- G. Salary step placement in case of reclassification will be calculated as follows:
  - 1. When a position is reclassified to a higher-paying classification, the incumbent's salary step placement is calculated as if the reclassification were a promotion as provided by Personnel Rule 3.1.4 (B).
  - 2. When a position is reclassified to a classification having the same salary range as the original classification, the incumbent's salary step placement is calculated as if the reclassification were a lateral movement as provided by Personnel Rule 3.1.4 (E).
  - 3. When a position is reclassified to a classification with a salary range the maximum step of which is lower than the pay rate the incumbent received immediately prior to the reclassification, and the incumbent is reduced to the new classification, he or she will receive the incumbency rate of pay with no increases or adjustments thereto, until the maximum rate of the

lower range is equal to or exceeds the incumbency rate of pay or until the employee leaves the classification, whichever is earlier.

- H. When a classification reallocation results in a change to the salary range assigned to a position, and the position incumbent is appointed to the position, his or her salary step placement shall be determined as in reduction as provided by Personnel Rule 3.1.4 (C), if the new salary range is lower, or promotion as provided by Personnel Rule 3.1.4 (B), if the new salary range is higher.
- I. When the number of steps in a salary range is changed, an employee in a classification affected thereby will be placed at the step of the new range that is closest to the current pay rate without a loss in pay, not to exceed the maximum step of the new range. Time served in both ranges will count toward the next salary step increment.
- J. There is no retroactivity associated with an employee's change in FLSA status from hourly to salaried as a result of a classification or compensation change. No salary adjustment is owed the employee on any overtime compensation he or she was paid during the period of retroactivity. If an employee's FLSA status changes from salaried to hourly as a result of a classification or compensation change, payment is owed for any overtime worked but not compensated during the period of retroactivity.
- K. If a cost of living adjustment is added to each step of a salary range, it will not affect step placement or service credit. A cost-of-living adjustment is not added to incumbency rates.
- L. When an employee is in a position subject to a classification or compensation action which becomes effective on the same date as a cost-of-living adjustment is awarded, and the effect of the action is to freeze his or her pay rate, the cost-of-living adjustment will be considered as having occurred prior to the classification or compensation action.
- M. When an employee is appointed to a position that is administered under a different pay program, his or her pay rate shall be determined in accordance with the rules of that pay program.

### **3.1.5 Salary Progression for Step Progression Pay Program**

- A. Employees who are appointed at the first step of a salary range will advance to the second step following 1,044 hours of regular service (the equivalent of six months full-time), excluding overtime hours worked. Employees appointed to other than the first step will advance to the next step following 2,088 hours of regular service (the equivalent of 12 months full-time), excluding overtime hours worked. Subsequent step increments to the maximum step of the range will be awarded following each additional 2,088 hours of service.
- B. An increase in salary based on service shall be effective on the first day following the applicable period of service.
- C. For purposes of salary progression, an employee will not be penalized for authorized unpaid absences of 45 or fewer calendar days per year, or the equivalent of 240 regular work hours for a full-time employee.

- D. An individual who returns to City employment following a break in service is treated as an initial appointment for purposes of salary step placement and progression, unless the break in service was the result of a layoff and reinstatement occurs within 1 year of such layoff. An employee who is reinstated within one year of layoff from the same classification will be placed at the same salary step as he or she held immediately prior to the layoff, and the combined service will count toward the next salary step increment date.