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| <b>Category:</b>  | Compensation and Benefits                                   | <b>INCA Community Services<br/>Personnel Policy</b><br><br> |
| <b>Sub Category:</b>  | Wage and Compensation                                       |  |
| <b>Effective Date:</b>  | 1972  |  |
| <b>Revised Date:</b>  | 1/24/18   |  |
| <b>References:</b>  | Head Start Performance Standards Sec. 653. [42 U.S.C. 9848] |  |
| Responsible: Human Resource/ Program Directors  |   |  |
| <b>Wage and Compensation Policy</b>   |   |  |
| <b>Policy</b>   |   |  |
| <p>INCA is committed to the principle of equal pay for work of equal value. Employees are paid salaries that reflect local prevailing practices in combination with internal budget requirements for job market competitiveness and job performance. INCA will provide compensation according to salary scales that are based on training and experience. Compensation plan shall enable employees to receive salary increases based on job performance and contribution.</p> <p>All types of wage and compensations will be dependent on the availability of funds. All personnel positions, periodic increases, promotions, or job changes shall not be in conflict with funding agency regulations. All salary changes are dependent, at least in part, upon the salary budget for the affected program.</p>   |   |  |
| <b>Wage Comparability Study</b>   |   |  |
| <p>The agency will conduct a wage comparability study to insure compliance with the above policy every three years unless there has been a shift in the wages warranting a study earlier. INCA will use the wage comparability study to institute a salary range determined by market pay rates for people doing similar work in similar industries in the same region of the country.</p> <p>The wage study will assure:</p> <ul style="list-style-type: none"> <li>● that persons employed in carrying out programs shall not receive compensation at a rate which is <ul style="list-style-type: none"> <li>○ in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of persons providing substantially comparable services</li> <li>○ or in excess of the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher;</li> <li>○ less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938.</li> </ul> </li> </ul> |   |  |
| <b>Wage/Salary Pay Range Scale</b>  |   |  |

- A **Wage/Salary Pay Scale** will be established that will govern pay rates of all positions of this Agency.
  - The salary range assigned to a job is determined by its market value and availability of funds.
  - The range of pay is established by the Human Resource Director and Program Director to pay employees performing a particular job or function. Salary range has a minimum pay rate and a maximum pay rate. This gives opportunities for pay increase for employees and performance improves.
- **Starting Salary Scale** will be established for each position. This scale is a hiring range from the minimum of the assigned range up to the market reference point. The Program Directors will determine pay offers based on the applicant's prior experience and/or education directly related to the position.
- Updated salary ranges, new positions, reclassifications or upgrades must be approved by the Board of Directors.
- All Head Start new positions, reclassifications or upgrades must be reviewed by the Head Start Policy Council.

### **New Hire Pay (Starting Salary Scale)**

To insure internal equity, starting salaries are determined based on the applicant's prior experience and/or education directly related to the position.

- All salary/wage offers will be made within the job positions starting scale based on the applicant's prior experience and/or education directly related to the position.
- A program may offer higher starting salaries with proper justification and approval of the Executive Director.
  - Justification must insure internal equity is observed.
  - Justification must include consideration of any potential anomalies/inequalities that may arise as a result: these may be inconsistencies with the wage paid current staff fulfilling the same (or very similar) roles or the risk of appointing two or more people to the same (or very similar) roles but at different points on the salary scale.

### **Minimum Wage**

No employee will be paid at a lower rate than the minimum wage as set by state and federal law.

### **Overtime**

- In accordance with the Federal labor Standards Act (FLSA), non-exempt hourly employees are eligible to receive overtime pay at a rate of one and one-half times their regular pay for if they work more than 40 hours in a workweek.
- The work week begins on Sunday at 12:01 a.m. and ends on Saturday at 12:00 a.m.
- Approval from the program director is required before any overtime is worked.
- At the supervisor's discretion, an employee's work schedule may be adjusted during a workweek to avoid overtime.
- Working unauthorized overtime will be subject to disciplinary action, up to and including termination.
- Approved paid absences, including sick leave, vacation time, and holiday pay are paid at an employee's regular rate of pay, but are not counted as time worked for the purposes of computing overtime.

### **Annual Performance and Salary Review (Merit Increase)**

The compensation program is designed to reward employees skills and competencies in their current jobs. Merit increases are based on the staff member's performance during the prior year and the salary increase budget available with the program. Performance is evaluated according to the current job description and accomplishments of goals, objectives and/or special projects and assignments.

- Employees may be eligible for merit increases depending upon program and funding source regulations, guidelines and availability of funds.
- Merit increases may be awarded with a performance rating of "Successful" or above.
- Merit increases will take in consideration of an employee obtaining a college degree in a related area.
- Merit increase percentage rates for each program are reviewed by the Executive Director with input and recommendations from the Program Directors on a yearly basis.
- The first day of the pay period following successful completion of the evaluation will be the date used for payroll processing of merit increases, provided that the completed performance evaluations have been successfully processed.

## Promotions

INCA supports career development, employees who are focused on career growth should think about the two types of promotions available in the staff compensation program: a market-based promotion and a contribution level promotion. The following are examples of each:

- **Market Based Promotion** means that an employee has made a meaningful job change to a new job with increased responsibilities and higher pay in the agency. While the salary range may be higher, the role of the job may not change and the contribution level of the job does not change.
  - **Example:** Erika is currently classified as a full time driver, Erika takes on data input as part of her job duties, this is not a temporary change. This position has a higher salary range because it has more responsibilities and is paid more on the market.
- **Contribution Level Promotion** reflects a significant job change. An employee who receives a contribution level promotion moves to a job with a higher contribution level and higher salary range. The employee's role may change as well.
  - **Example:** Cathy has gained skills and competencies, her performance is outstanding, and she is recognized as an expert in her job position. She has a few years of experience as a Head Start Teacher and is ready to assume a job with greater responsibilities. The next step on her career ladder for Cathy would be to become a Head Start Manager. The Head Start Manager is classified in a profession role with a higher salary range. This will be a contribution level promotion for Cathy; her role, and salary range will change and she will receive a salary increase.
- **Salary When Promoted:** Consideration of experience and education will be used to determine salary. All salary adjustments will be considered on a case by case basis.

## Market-Based Salary Adjustments

A market (external equity) adjustment may be made when an employee's salary falls below market pay for comparable jobs.

## Cost of Living Adjustment (COLA)

- The Head Start program from time to time is given a Cost of Living Adjustments (COLA) by funding source to reflect the increase, if any, in the cost of living and to insure pay benefits are not eroded by inflation. These are directed by the funding agency's regulations.

- Other programs may opt to follow the Cost of Living Adjustments, even if there is not an increase in programs funding amount. This will be determined by funds available.
- The lower and upper range of the salary scale must show the increase.

### **Equity Salary Adjustments**

From time to time, it may become necessary for a program to make salary adjustments to correct an inequity in staff salary. An internal equity adjustment may be made when there is an inequity between the salaries of newly hired and experienced staff members in the same job and with comparable experience, qualifications and performance. It may also be given when there is an inequity between the salaries of supervisors and subordinates.

### **Acting Pay**

Acting pay may be awarded to an employee who has temporarily assumed significant responsibilities for a higher level job for a period longer than one month from the date a staff member is placed on acting status. The responsibilities are usually performed in addition to an employee's primary duties.

### **Change to Salary Range Structure**

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

- **Salary Adjustments When Salary Ranges are Changed:** At any time a salary range is changed for a specific position, all employees in that position will receive an adjustment to the salary range. No person's salary may be reduced as a result of such change and all persons will be given uniform treatment.

### **Transfers**

A transfer is the movement to another job that is previously established through an approved personnel requisition, has the same salary range and may involve a salary increase.

- A transfer may result in a title change.
- When an employee is transferred from one facility to another and there is no promotion involved, the salary will remain the same.

### **Demotions**

When moved to a job with a lower salary range and/or lower contribution level, a staff member's salary may be reduced.

- Also, future salary increases may be reduced until the staff member's salary falls appropriately in line with the new salary range.
- The staff member's review date remains unchanged.
- The final rate of pay will be approved by the Executive Director.
- A higher rate of pay will not be set.

### **Dissemination of Policy**

The policy will be made available to all employees through the agency's website. The agency will educate and train employees and supervisors regarding the policy and any conduct that could constitute a violation of the policy.