



## Office of Human Resource Management

### OPTIONAL PAY POLICY

Effective: July 1, 2018

#### POLICY

In accordance with State Civil Service Rule 6.16.2, *Optional Pay Adjustments*, it is the policy of Louisiana State University Health Sciences Center - New Orleans (LSUHSC-NO) to consider granting optional pay adjustments for the recruitment and retention of employees.

#### APPLICABILITY

This policy applies to all full-time permanent, classified employees of LSUHSC-NO.

No employee shall receive more than the maximum amount allowed by State Civil Service Rule 6.16.2 within a fiscal year.

#### IMPLEMENTATION

This policy becomes effective upon the date approved by the State Civil Service Commission. Subsequent revisions shall become effective on the date revisions are approved by the State Civil Service Commission.

#### PURPOSE

Provided that funding is available, LSUHSC-NO will consider granting optional pay to permanent employees in the following circumstances:

##### 1. MATCHING JOB OFFER

*To provide for the retention of employees deemed essential to the university.*

An employee deemed by the Appointing Authority to be essential to the agency may receive a base pay increase of up to 10% of the employee's base salary to match a written and verified job offer from a private employer, for an unclassified position at another state agency, or a position at a non-state governmental entity.

Employees at range maximum shall not be eligible for a payment under this provision.

##### 2. COMPRESSION PAY

The Appointing Authority may grant a base pay increase of up to 10% to an employee to reduce pay compression.

Employees at the range maximum shall not be eligible for a payment under this provision.

Salary compression may occur when managers/supervisors are paid at a rate lower than

those that they supervise. Please remember that it is perfectly logical that a 20-year employee in a staff level position will have a higher salary than a supervisor with just seven years of service/experience. However, if the supervisor has more experience and is paid less than the subordinate, LSUHSC-NO may consider granting an increase to the supervisor.

Salary compression may also be caused when there is only an insignificant difference in pay between employees in the same job series, despite significant differences in merit factors such as:

- Length of total state service
- Time in current job series
- Skills and experience
- Education/credentials
- Performance

This type of compression often happens when the current employee pay hasn't kept up with increases in the market pay rate resulting in a situation in which new hires are hired at levels similar to employees who have been with the state for many years. Merit factors are always taken into consideration and only employees within LSUHSC-NO will be compared.

In the event LSUHSC-NO plans to pay a large group of employees, give compression to the same employee in multiple fiscal years, or would like to address something else LSUHSC-NO feels is compression that's not specifically listed above, LSUHSC-NO will consult with Civil Service prior to making payment.

### 3. RECRUITMENT

*To recruit employees into difficult-to-recruit jobs.*

The Appointing Authority may grant a base pay increase of up to 10%, in addition to any other compensation granted under Civil Service Rule 6.7, to recruit employees into a position for which recruiting is difficult.

Employees at the range maximum shall not be eligible for a payment under this provision.

### 4. ADDITIONAL DUTIES

*To provide compensation for employees who perform additional duties.*

#### A. Permanent Additional Duties

The Appointing Authority may grant a base pay increase or lump sum payment of up to 5% to an employee who is assigned additional duties on a permanent basis. Such permanent duties shall be documented on an official position description and processed by State Civil Service within 30 days prior to granting the adjustment.

An employee may not receive more than 10% base pay increases for additional duties within three (3) consecutive years.

B. Temporary Additional Duties

The Appointing Authority may grant a lump sum payment of up to 5% to an employee who is assigned additional duties on a temporary basis. Payment of such a lump sum may be made in one payment at the end of the duration of the duties or may be spread among pay periods for the duration of the assignment (not to exceed one year). If the duration of the assignment exceeds one year, a request for payment must be resubmitted to the Appointing Authority for approval.

Employees at range maximum who are assigned additional duties shall only be eligible for a lump sum payment under this provision.

Employees who are range maximum cannot receive lump sum payments in consecutive years, even if the reasons for the payments are different.

An employee shall not be eligible for either a lump sum or base pay increase for additional duties if he/she has already been compensated according to another State Civil Service Rule.

**POSTING/REPORTING REQUIREMENTS**

All requests for application of this rule must be submitted to the LSUHSC-NO Director of Human Resource Management with a completed Optional Pay Adjustment Questionnaire and a memorandum of justification, which, at minimum, includes the immediate supervisor's recommendation/justification and the approval signatures of the Department Head, the Dean/Division Leader's office, and the Vice Chancellor for Administration and Finance.

This policy shall be posted in a manner that assures its availability to all employees along with a listing of all employees who receive payments according to this policy.

An annual report shall be submitted to the Department of State Civil Service by July 31<sup>st</sup> detailing payments made to employees under State Civil Service Rule 6.16.2 during the previous fiscal year ending June 30<sup>th</sup>.

APPROVED:



Dr. Rosalynn Martin, Appointing Authority  
Director of Human Resource Management

5/14/18

Date

Attachment: Optional Pay Adjustment Questionnaire