I. ADMINISTRATION OF SALARY INCREASES

The Department of Employee Relations is authorized under provisions of the Salary Ordinance to develop guidelines and procedures for the administration of pay progression practices established under Common Council File #161034 and 170580. These guidelines are established to carry out the intent of the Salary Ordinance as interpreted by the Department of Employee Relations.

II. AMOUNT OF SALARY ADJUSTMENTS

Eligible employees will receive pensionable and base building adjustments up to the maximum of their pay ranges.

**Group B**

*Employees in good standing as defined in guidelines established by DER, who receive an overall rating as outlined below will receive a salary adjustment of 2%, 3% or 4% of the midpoint of the employee's pay range. The midpoint is calculated by adding the minimum and the maximum of the pay range divided by 2. Recruitment rates higher than the minimum of the pay range should not be used.*

<table>
<thead>
<tr>
<th>Overall Performance Rating</th>
<th>Average Rating Score</th>
<th>2017 Salary Adjustment / Lump Sum Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional</td>
<td>4.5 to 5.0</td>
<td>4%</td>
</tr>
<tr>
<td>Exceeds Expectations</td>
<td>3.5 to 4.4</td>
<td>3%</td>
</tr>
<tr>
<td>Successful</td>
<td>2.5 to 3.4</td>
<td>2%</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>1.0 to 2.4</td>
<td>0%</td>
</tr>
</tbody>
</table>

Employees who receive an average rating score of 2.4 or below are not eligible to receive a salary adjustment or lump sum in 2017.

III. REVIEW PERIOD, EFFECTIVE DATES AND TIMING OF THE INCREASES/LUMP SUM PAYMENTS

In 2017, the review period for performance reviews (Group B) with an established salary anniversary date between pay period 1 and 20, will be January to September. The review period for employees with an anniversary date between pay period 21 and 26, will be January to their salary anniversary date.

Please note, the review period should include actual service and any absences of 10 unpaid whole work days will result in an adjusted salary anniversary date.
The appointing authority may recommend a modified review period for individuals who have been on a leave of absence for a portion of the review period provided that there is at least six months of actual service in 2017 to review during 2017.

Probationary employees are not eligible for salary adjustments. Furthermore, eligibility for a salary adjustment is contingent upon an employee’s completion of 26 pay periods in the current title.

For Group B, a determination of an employee’s eligibility for a salary adjustment (either base building or a lump sum payment) will be made near or on pay period 20 for employees with an anniversary date in pay periods 1 through 20, 2017. For employees with an anniversary date in pay periods 21 through 26, 2017 the salary adjustment will be made near or on the employee’s anniversary date.

IV. ELIGIBILITY CONSIDERATIONS

Group B

Eligible employees who, based on merit principles, achieve a “successful”, “exceeds expectations”, or “exceptional” rating per guidelines developed by the DER and documented on a performance appraisal including career ladder positions at the maximum of their career ladder range classified as:

Section 1: Officials and Administrators
Section 2: Professionals
Section 4: Protective Services (non-represented sworn)

To be in good standing a Group B employee must receive a “successful”, “exceeds expectations”, or “exceptional” rating in the applicable performance appraisal factors (e.g. key job functions and core competencies) as documented on an employee performance appraisal form. The form requires an assessment of an employee’s performance and behavior in key job responsibilities and core competencies associated with the position and/or critical to the department’s mission.

*Employees exempt from civil service are on continuous probation. To be eligible for a salary adjustment, employees must complete 26 pay periods in the current title.*

Exclusions

The following classification groups are ineligible for salary adjustments allowed under Common Council File #161034 include:

- Fixed term employees
- Assistant City Attorneys
- Intermittent and Hourly employees
- Members of Boards and Commissions
- Elected Officials
- Employees of the Employee’s Retirement System whose compensation is determined by the Pension Board
- Represented sworn members of MPD and MFD
Disqualifiers:

- Probationary employees are not eligible to receive salary adjustments. In addition, they must successfully complete their probationary period and have completed 26 pay periods of service. Under the rules of the City Service Commission, employees serve probationary periods when regularly appointed, or when transferred, promoted or demoted to a position.
- Employees who are under the terms of a Performance Improvement Plan.
- Employees who have received discipline during the review period.

  Note: written warnings are considered disciplinary action for Group B FLSA exempt only.
  Note: if the disciplinary action is overturned as a result of a disciplinary grievance process, the employee may be eligible provided that he or she is otherwise qualified.
  Note: if the disciplinary action is held in abeyance, the employee is eligible for the adjustment.
- Managers and supervisors who have failed to complete employee assessments and/or performance appraisals for direct reports will not be eligible for salary adjustments until completion of all required forms.

V. EMPLOYEES AT OR NEAR THE MAXIMUM OF THEIR PAY RANGE

Salary increases are base building and pensionable but are capped by pay range maximums and the Mayor’s salary.

<table>
<thead>
<tr>
<th>Employees</th>
<th>Salary Anniversary Date falls in Pay Periods:</th>
<th>Increase Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees near the Maximum of the Pay Range</td>
<td>1 to 20 2017</td>
<td>-Bi-weekly increase up to the maximum of the Pay Range.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The difference will be paid in a Lump Sum non-pensionable non-base building amount from pp 20 to 26 2017.</td>
</tr>
<tr>
<td>Employees near the Maximum of the Pay Range</td>
<td>21 to 26 2017</td>
<td>-Bi-weekly increase up to the maximum of the Pay Range in the pay period in which their Salary Anniversary Date falls.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-The difference will be paid in a Lump Sum non-pensionable non-base building amount from the Salary Anniversary Date pay period through pay period 26 2017.</td>
</tr>
<tr>
<td>Employees at or above the Maximum of their Pay Range</td>
<td>1 to 20 2017</td>
<td>Will be paid in a Lump Sum non-pensionable non-base building amount from pp 20 to 26 2017.</td>
</tr>
<tr>
<td>Employees at or above the Maximum of their Pay Range</td>
<td>21 to 26 2017</td>
<td>Will be paid in a Lump Sum non-pensionable non-base building amount from their Salary Anniversary Date pay period through pay period 26 2017.</td>
</tr>
</tbody>
</table>
The lump sum payment amount will be based on actual hours paid only and do not include overtime hours for Fair Labor Standard Act (FLSA) covered employees. These payments are to be processed in pay period 2, 2018.

NOTE: To be eligible for the lump sum payments eligible employees must be on payroll through pay period 26, 2017.

VI. NOTIFICATION OF SALARY ADJUSTMENT FORM

At the close of each pay period, departments shall complete and forward to DER a copy of the “Notification of Salary Adjustment Form” for Group B, for all employees with anniversary dates for the pay period. The form shall document salary adjustments granted or denied by the department during that pay period. This includes employees who do not receive an adjustment based on disqualifiers.

SALARY ANNIVERSARY DATES

A Non-Career Ladder employee’s salary anniversary date is established after meeting both of the following criteria:

- Having passed probation in the current job title, and
- After completion of 26 pay periods on payroll in the current job title.

Note: Salary anniversary dates for employees exempt from the Rules of the Civil Service Commission or the Fire and Police Commission are established after the employee has completed 26 pay periods on payroll in the position.

A Career Ladder employee’s salary anniversary date is established after meeting both of the following criteria:

- Having passed probation in the current job title, and
- After completion of 26 pay periods, or a full review period, after their final career ladder increase.

Changes to a Salary Anniversary Date:

- A change in job title (promotion / demotion) or transfer to a different department (same title or pay range with no change in rate of pay) will require a new salary anniversary date after completion of 26 pay periods on the payroll in the new job title or department.
- A transfer to a different assignment within the same department and in the same job title will require a new salary anniversary date.
- The salary anniversary date is adjusted for time off payroll (10 full work days off payroll, excluding approved compensatory time and vacation, will move the salary anniversary date into a later pay period).
VII. EFFECTIVE DATE OF SALARY ADJUSTMENTS

For Group B employees who are in good standing as a result of the Performance Appraisal, and who are otherwise eligible for a salary adjustment:

<table>
<thead>
<tr>
<th>Group B</th>
<th>When Salary Anniversary Date Established / Re-Established</th>
<th>When Receive Salary Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No discipline or performance improvement plan within the review period</td>
<td>Established upon completion of 26 pay periods on payroll</td>
<td>At time of successful Performance Appraisal in pay period 20 or on salary anniversary date if after pay period 20, 2017</td>
</tr>
</tbody>
</table>

VIII. SALARY ADJUSTMENT DENIALS

Departments are required to implement an administrative review procedure when employees are deemed ineligible for salary adjustments based on a determination that the employee is not in good standing. Employees who are denied an adjustment based on an “unsatisfactory” performance evaluation may ask for an administrative review from the DER.

**Employees must first follow their department’s appeal procedure.** Once official notification of a denial has been received from the employee’s department, the employee must submit a Pay Progression Appeal Form to the Department of Employee Relations along with supporting documentation (i.e. the employee assessment form) no later than 10 business days following the date of notification. DER will render a decision within 15 business days of receiving an appeal.