

# COMPENSATION



## **MSCS COMPENSATION HANDBOOK**

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# Introduction

The most valuable resource in Memphis-Shelby County Schools (MSCS) is our employees. To achieve our mission, the District seeks to attract, develop, reward, and retain employees who help the organization meet its objective to help students learn, grow, and graduate ready for college and adulthood. We value and respect our employees. That is why our leadership team has designed an innovative approach to recruitment, professional development, and compensation that recognizes a high-performing workforce and promotes a better future for our community.

Employees' pay represents a substantial portion of MSCS' annual budget and retaining talented teachers who educate and inspire our students requires effective management of our compensation program.

Every member of leadership is responsible for understanding this manual and being capable of answering employees' questions when they arise. Managers must ensure that our employees are informed of MSCS policies and procedures, and that they abide by them.

All employees, regardless of their position in the District, have a duty to understand the contents of this manual so that they may:

1. Seek opportunities to develop their skill set and advance their career.
2. Hold leadership and Human Resources (HR) accountable to fair practices and consistent administration of our programs.

This manual serves as a resource for compensation administration of best pay practices, according to industry standards, although exceptional circumstances may cause variations in the administration of compensation policies. It does not, however, constitute and should not be interpreted as a guarantee or promise by MSCS that its guidelines, as set forth, will be followed uniformly in every situation. Please consult with the Office of Compensation department for further clarification ([Officeofcompensation@scsk12.org](mailto:Officeofcompensation@scsk12.org)).

**Human Resources**  
**The**  **Heart** **Of MSCS**

# Compensation Objectives

In support of MSCS' philosophy to attract, motivate, reward, and retain high-performing employees, this program seeks to:

- Inspire the highest possible degree of consistency in employee performance, engagement, morale, and loyalty through fair and competitive pay practices and benefits aligned with the classification system of MSCS and the administrative functions within the District
- Establish and maintain the most competitive pay, salary, and wage ranges for various positions, while also considering the unique duties, requirements, and levels of responsibility for each position
- Adjust pay ranges when warranted by the changing economic and competitive market factors, as determined by periodic wage and salary surveys conducted annually, with fidelity

MSCS' compensation program promotes an atmosphere that draws high-performing employees at all levels who support the District's mission to prepare all students for success in learning, leadership, and life. Which is why it is imperative that we administer such programs in a fair and equitable manner for all employees. The HR department achieves this high standard of equity in compensation by implementing industry-standard policies, conducting annual market data reviews, and applying administrative best practices. MSCS reviews its compensation practices and ranges regularly to ensure these goals are met.

For all employees, MSCS bases its competitive analyses on similar positions within the education sector. Applicable job descriptions across other industries may be considered when appropriate market data is available. Organizations of comparable size may also factor in when determining comparable roles.

## Compensation Philosophy

For roles below the Chief level, local market data will be the primary factor for market comparison with expansion to state, region, and national data, when necessary, based on survey sample sizes. When local data are unavailable, geographic differential statistics may be applied to accurately summarize the Memphis-area talent market.

## Compensation Program

Two major components, **competitive salary structures** and **pay ranges based on market data**, ensure a competitive stance within the education sector. The salary structures also allow

employees to progress to positions with greater responsibilities that extend or maximize their impact and provide competitive reward opportunities. Additionally, the structures allow for a wide range of employee experience and performance within each position. Salary administration policies ensure consistent application of the pay program.

MSCS values its employees and works diligently to recognize their efforts through a comprehensive pay program that is both planned and managed continuously. A key aspect of compensating employees is ensuring that they are rewarded based on how well they do their jobs.

MSCS' philosophy is to offer a fully competitive and internally equitable total rewards package which consists of base pay, appropriate market-based pay adjustment increases, and employee benefits. Our goal is to construct pay ranges with market-sensitive control points (minimum, midpoint, maximum) that ensure fair and equitable pay for all employees.

To adhere to the District's philosophy, the MSCS compensation program is designed to be:

**Externally Competitive**: offer comparable pay based on indicators in the external market, attracting educators who allow us to support MSCS' Mission and Organizational Objectives:

- Strengthen early literacy
- Improve post-secondary readiness
- Develop teachers, leaders, and central office
- Expand high quality school options
- Mobilize family and community partners

**Fairly Administered**: administer the compensation program in an equitable manner by documenting policies and procedures, providing adequate training for the HR staff, and consistently communicating to all managers who must ensure that policies and procedures are applied with fidelity. Periodic audits will occur to validate a consistent application of the program.



# Your Role as a Manager

As a manager, you support the pay program through consistent assessment of each position's requirements, performance, and the contributions of employees. Managers must exercise good judgment, whether making recommendations for offers to potential new hires or promotion offers to existing employees.

## Communication with Employees

Effective employee communication involves listening, as well as speaking. The quality and frequency of communication affects employee job performance, motivation, and attitude. Regular reviews of individual goals, performance standards, strengths and weaknesses enable employees to be highly effective within their job role. These conversations benefit every facet of employee relations and support the administration of the pay program.

The manager is responsible for providing employees with a clear understanding of the salary program. Employees should know how the salary program operates and why it operates the way it does. Additionally, each employee should know their own pay grade, their upcoming performance and salary review dates, and the goals they need to achieve to increase their MSCS value. The responsibilities a manager must fulfill to administer the salary program effectively are an important part of management and require an appropriate amount of attention.

## Specific Responsibilities

- The manager explains the salary program directly to the employees he or she supervises to ensure clear understanding; monitors changes in duties and responsibilities to make certain that job descriptions accurately detail all responsibilities, and those employees' salary grades are correctly aligned within the structure; provides an updated job description/profile to HR when significant changes in the essential functions of the job occur, or when a new position is necessary; works with HR, which assesses changes in the external market to determine associated compensation adjustments, if warranted.
- The manager establishes, assesses, and communicates performance requirements to employees to ensure that all employees are not rewarded uniformly for varying degrees of duties performed, and that fair and accurate performance assessments are provided to everyone individually. Pay increases should not be considered for managers until performance evaluations are completed for the most recent performance period. First, employees should be rewarded for their accomplishments, in addition to coaching and motivating them to continue to grow.
- Informs HR of unusual competitive conditions or other situations that require attention.
- The manager also engages in sourcing and recruiting top talent.

## How Human Resources Can Help

The HR department oversees the salary program's design and the development and application of salary guidelines used to administer pay on a day-to-day basis. HR's specific responsibilities are to:

- Assist managers in monitoring and rewarding employee career growth
- Assist managers in understanding and communicating MSCS' compensation goals and objectives
- Provide information and tools that help management make sound performance and salary decisions, including the development of offers for new hires or counteroffers, when necessary, to employees who consider leaving MSCS
- Develop and maintain competitive salary and wage structures
- Develop, recommend, and support compensation administration policies
- Maintain files of current position descriptions
- Maintain records to facilitate the administration of existing pay programs and ensure compliance with current state and federal regulations governing employee pay
- Review and approve personnel action notices for compliance with established policy, adherence to sound practices, and consistency across departments
- Conduct periodic audits of hiring and compensation administration policies/practices
- Develop employee communication materials to ensure clear understanding of the total rewards package provided by MSCS
- Advise the hiring manager on all employee compensation actions
- Review all deviations from established compensation administration philosophy

The salary policies developed by MSCS provide a basic framework for exercising judgment in the daily administration of the compensation program. However, it is essential that HR and management work together in administering the compensation program, as both have important interrelated responsibilities. The HR department aids in making personnel and compensation-related decisions and must be advised of specific problems or concerns to ensure that the program functions effectively.



# Job Descriptions

- Define the jobs and informs the incumbent of important duties and responsibilities
- Help managers define standards of performance
- Define the qualifications necessary for successful performance (minimum qualifications)
- Help establish the basis for compensation
- Include job summary – a two-to-four sentence statement on why the job exists, or a general statement on what the position entails (the summary should not be a reiteration of the duties and responsibilities)

**Duties and responsibilities:** the primary activities in which an employee will engage on a regular basis or spend at least 5% or more of his or her time doing on a regular basis.

- Informs the employee of what is expected of him or her
- Establishes a basis for determining the required qualifications

**Qualifications:** a listing of the knowledge, skills, and abilities (KSAs) an incumbent must possess to successfully perform the duties and responsibilities of the position. These qualifications are referred to as the minimum qualification because if a person does not meet them, he or she will not be successful on the job. ***Please note, all KSAs must be linked to a specific duty or responsibility.***

- **Knowledge:** a body of information applied directly to the performance of tasks
- **Skills:** the capabilities to carry out key responsibilities, including the verbal, written, or mental manipulation of ideas, things, or people
- **Abilities:** possession of the skills necessary to perform a job function, to carry through with the activity while applying or using the associated knowledge

After the KSAs are identified, a determination is made where the KSAs are learned or obtained; more specifically, can knowledge and skills be learned through work experience or is formal education required? If formal education is required, then at what level is knowledge or skill obtained (high school, associates, bachelor, masters, or doctorate). Years of related experience should represent a realistic time frame in which an individual could learn and master the knowledge and skills required for the position.

KSAs that must be learned after a person is hired should not be listed. For example, familiarity with MSCS policies and procedures is not knowledge a person would normally have before he or she starts the position.

**Physical Requirements:** significant body actions necessary for a person to engage in while performing the duties and responsibilities of the position. Identification of the physical

requirements helps establish potential reasonable accommodations, in accordance with the American with Disabilities Act (ADA).

Once the main content of the job description is finalized, HR will determine the position classification, or whether the position is exempt or non-exempt. The guidelines set forth by the Fair Labor Standards Act (FLSA) determine the position exemption classification.



# Salary Ranges

Salary ranges, the component most recognizable and easily understood by employees, provide one of the basic controls in a salary management program. They help managers make equitable salary decisions. The number of pay grades and salary ranges are industry aligned and fit MSCS' specific requirements, reflecting the competitive market.

Please refer to the specific characteristics of MSCS' salary structure outlined below.

## Salary Range Structure

A salary structure consists of pay grades and salary ranges:

- Pay grades eliminate the need to identify extremely fine or minor differences in value between jobs that require similar KSAs. All jobs within the same pay grade are of equal value within MSCS.
- Salary ranges give management and the Office of Compensation the opportunity to relate pay to the market and to individual performance and experience. The ranges represent the range of current "market values" for each pay grade, with the midpoint of each range representing MSCS' overall competitive target positioning.
- Each salary range has a minimum, midpoint, and a maximum.

*Range width* is defined as the percent change from the pay range minimum to the pay range maximum. The range width provides for growth, flexibility, and differentiation within a single grade.

Range widths are determined based on desired flexibility within a pay grade and differences between job levels. Typically, the minimum of the salary range is the amount paid to an employee who is assigned to a position for which he or she possesses the minimum qualifications and who is expected to be able to perform basic duties and responsibilities after normal training.

The midpoint, or competitive control point of the range, is the middle point between the minimum and maximum of the grade. The middle part of the range is appropriate for an experienced and fully qualified employee whose performance fulfills the requirements of the position. The midpoint typically represents the "going market rate" for the position.

The maximum salary range is the highest salary level for an employee whose performance consistently exceeds most position requirements or for an employee with long service in the same position or grade. Once an employee reaches the maximum salary range, base salary increases only when the pay range changes, or the employee moves into a position in a higher salary grade.

## Salary Range Review

MSCS assesses salary ranges periodically, based on salary surveys of comparable jobs, to remain competitive in the market. Periodic structure adjustments ensure that jobs align to the correct ranges. If there is evidence of a change in market position (i.e., MSCS has fallen behind the competitive market), ranges the District adjusts according to the program's objectives and MSCS' ability to pay within the limitations of its budget.

When MSCS increases salary ranges to maintain market competitiveness, a percentage increase is applied to the minimum, midpoint, and maximum of each salary grade. These adjustments do not change the pay grades to which positions are assigned and do not result in automatic changes in individual employee salaries. HR assesses the need for market-related adjustments and communicates with managers before any action is taken that may impact employees.

## Salary Range Development Guidelines

MSCS completed the following.

- The District reviewed market rates for a large sample size of positions to gain an understanding of how market rates vary within a pay grade and how market rates progress from pay grade to pay grade.
- Starting at the bottom of the structure, determined the range midpoint and midpoint progressions.
- Ensured the midpoint of the pay grade range approximates the market rates for the jobs within that pay grade at the organization's targeted competitive position. This midpoint reflects the pay target for a fully competent employee performing at a satisfactory level.
- Reviewed the progression of midpoints from pay grade to pay grade, ensuring that midpoint progression is consistent from pay grade to pay grade or increases with seniority.
- Determined the range width, which allows employees to progress through their range based upon their KSAs.

***Please note, it is possible to have a high-level Advisor at the same pay grade as a supervisor or Manager. This is a typical practice in organizations which have positions requiring highly-specialized or narrowly defined expertise.***

## Job Pay Grade Evaluation

To assign appropriate pay grades to MSCS positions, each job is compared internally to other positions in the District, and externally to similar positions in the marketplace using both market

data and a review of job responsibilities. HR considers the following factors when determining the pay grade for a position within the MSCS salary structure:

- Knowledge & Skill
- Experience
- Responsibility for Others
- Accountability for Results
- Freedom to Act
- Complexity
- Working Conditions

The evaluation also considers both internal equity (level and pay) and, if possible, an external evaluation (salary and/or wage survey data). HR adheres to the Job Level Guide (see Appendix A), which has job level descriptors, for overall direction and guidance in determining the appropriate market comparison and pay grade for a position.



# Salary Administration Guidelines and Policies

## Minimum Job Requirements

Each MSCS position must have an accurate and comprehensive job description that documents minimum job requirements.

## New Hire Rates

New MSCS employees are provided with a salary/wage that is commensurate with their knowledge, skills, and experience. Whether full-time, part-time, or temporary/substitute, a new hire's salary is determined based on the following guidelines:

- The salary for a new hire cannot be below the minimum of the range for the pay grade
- When a new hire does not exceed the minimum job requirements, pay should be set at the minimum range for the pay grade
- Any applicable experience above the minimum requirements will be used to determine where the employee is paid within the range

***Human Resources utilizes hiring guidelines that recognize applicable experience, skills, and education. Applicable experience will be documented and agreed upon by departmental management and HR.***

## Example 1 of Applicable Experience:

A candidate applied for a Senior Employee Relations Advisor position, which requires a bachelor's degree and five (5) years of related experience. The candidate has the following experience and education:

- Four (4) years as an Employee Relations Advisor
- Ten (10) years of Human Resources Management experience
- A Bachelor's degree

The candidate's resume is evaluated, and he/she is given credit for all fourteen (14) years of experience, which amounts to nine (9) years of experience above the minimum requirement.

### **Example 2 of Applicable Experience**

A candidate applied for a Director, Accounting position, which requires a bachelor's degree and seven (7) years related experience. The candidate has the following experience and education:

- Eight (8) years as a Staff Accountant
- Seven (7) years as an Accounting Manager
- A Bachelor's degree

The candidate's resume is evaluated, and he/she is given credit for the seven (7) years of experience as an Accounting Manager, which aligns precisely with the minimum requirement. The lack of experience above the minimum requirement would yield a pay rate that aligns with the range minimum. Although the candidate has extensive experience in accounting, the eight (8) years as a Staff Accountant are not relevant to his/her potential capability as a Director.

- Internal equity will also be taken into consideration. If another employee in the same or similar workgroup also has similar experience/education as the new hire, pay should be set in such a way as to avoid or minimize internal pay inequity.
- Any new hire whose pay is set above the midpoint will require approval from the Chief of Human Resources.
- Salary/wage offers to all applicants must have prior approval from Human Resources. Any offers made without the approval of Human Resources may not be honored.

### **Movement Within the Range**

Employees will progress to their salary range midpoint over time assuming they continue to develop their skills and become fully functional in their position. This period will vary for different levels of positions and is based upon demonstrated performance and years of experience. Salaries in the upper third of the range should be reserved for those individuals who consistently produce outstanding results or perform beyond the scope of their responsibilities.

### **Setting Pay**

MSCS follows the guidelines outlined in the Salary Administration Guidelines and Policies section of this document. If an employee's pay reaches the pay range maximum, he or she will be "red-circled," whereby the employee's salary will be frozen at its current level. A pay increase will not be provided unless the pay range is re-calculated (i.e., due to changes in

market compensation) and it is determined that the employee pay falls below the adjusted range maximum, or the employee takes a job in a higher pay grade. Lump sum awards may be provided in lieu of a salary increase in instances of exceptional performance for those paid at the range maximum.

To calculate total annual base pay for an employee who has a change in the number of months they will be working in the same role, use a Days-Worked form to calculate the monthly pay and multiply that amount by the number of months to be worked.

***EXAMPLE: An employee changes from a 12-month schedule to 11-month schedule.***

***Resulting Annual Base Pay = Current Annual Base Pay ÷ 12 x 11***

### **Determining an Appropriate Salary**

A new salary range will be recommended by the Office of Compensation based on a range of factors, including the desired counteroffer salary, the employee's relevant education and skills, equity between employees in the same or similar titles and available budget. The requested and/or approved counteroffer amount must not exceed the amount budgeted for the role.

### **Dual Assignment**

MSCS allows employees to hold two separate positions within the district simultaneously, one primary and the other secondary.

- **Non-exempt Employee with Second, Exempt Job**

**EXAMPLE:** Where a non-exempt employee takes a second job that is exempt, the employee must be compensated at a time-and-one-half overtime rate for any hours worked over 40. The situation is treated as if the second position was non-exempt rather than exempt.

- **Exempt Employee with a Second, Non-exempt Job**

**EXAMPLE:** Where an exempt employee takes a second job that is non-exempt, the hours worked at the second job are paid at the regular straight-time rate for that job. If the employee begins to spend as much or more time in the second non-exempt job as he or she does in the original exempt position, the situation may turn into one of a non-exempt employee with a second, exempt job.



- **Exempt Employee with a Second, Exempt Job**

**EXAMPLE:** Where an exempt employee takes a second job that is also exempt, the employee will earn two separate salaries without any additional compensation regardless of how much time the employee spends in either position.

- **Non-exempt Employee with a Second, Non- exempt Job**

**EXAMPLE of Payroll-Weighted Average:** John works for MSCS, in a full-time, 40 hours-per-week, non-exempt position in the Finance Department. He gets the opportunity to work a second, 17 hours-per-week part-time, non-exempt job for the MSCS Information Technology Department in the evenings. Does MSCS have to pay John overtime premium pay for the hours he works during his second job? Yes, overtime pay is required. However, MSCS has two options for calculating the overtime pay. Where a non-exempt employee performs two or more different kinds of work for two different hourly rates, the regulations allow the employer and the employee to agree in advance that the employee will be paid time-and-one-half of the bona fide regular rate of the job that is performed during the overtime hours. This means, “his total earnings are computed to include his compensation during the workweek from all such rates and are then divided by the total number of hours worked at all jobs.

All appointments, interim or permanent, must be approved by the Superintendent using the following process. **NOTE:** position type is determined by the Chief of Human Resources (COHR).

<p><b>Step 1</b> <b>Identify Vacancy and Evaluate Need</b></p>	<p>The Hiring Manager identifies the position and the assigned PCN (Position Control Number) followed by submission of the “Recommendation for Appointment” form to the Chief of the Department for approval.</p>
<p><b>Step 2</b> <b>Completed Recommendation for Appointment forwarded to the Chief of Human Resources (COHR)</b></p>	<p>Departmental Chief sends the completed forms to the COHR, who submits the request for appointment to the Superintendent for approval.</p>
<p><b>Step 3</b> <b>Completed Recommendation for Appointment forwarded to COHR</b></p>	<p>The approved recommendation, resume and/ or application is submitted to the Office of Compensation for the salary calculation.</p>
<p><b>Step 4</b> <b>Completed Recommendation for Appointment forwarded to COHR</b></p>	<p>After the salary has been calculated, then occurs the official offer call and acceptance of the appointed position. The offer letter is signed with an official effective date; an ending date of the assignment is applicable only if the assignment is an interim position.</p>



### **Special Salary Adjustments**

In addition to performance-based salary increases, certain other circumstances may warrant salary adjustments. This section outlines the guidelines to be followed in the event of: (1) promotion, (2) reclassification, (3) demotion, (4) lateral transfer, (5) transfer from teaching to classified (6) break in service reinstatement, (7) expanded accountability adjustment, (8) merit increase, or (9) equity adjustment.

### **Promotion Increase**

A promotion occurs when an individual assumes a different job with increased responsibility in a higher pay grade. In all cases when a promotion occurs, the employee's salary may be adjusted by an amount necessary to maintain internal pay equity as recommended by the Compensation Manager and approved by the Chief of Human Resources or designee. The Departmental Director may request a salary adjustment in writing. The requests will be reviewed for potential departments and District pay inequities by the Compensation Manager prior to approval by the Chief of Human Resources or designee.

Below are the general guidelines for promoting an employee:

- The effective date of the increase should be the date the employee is required to perform the duties and responsibilities of the new position.
- Employees promoted to a higher pay grade may receive a pay increase according to the level of the new role, not to exceed the range maximum, as follows:

Non-Exempt	Up to 7%
Exempt Non-manager	Up to 12%
Exempt Manager	Up to 15%
Director +	Up to 20%

If the new salary is below the minimum of the new range, pay should be increased to meet the minimum. Special circumstances may warrant promotional increases exceeding those outlined in the table above (e.g., internal inequities or mission-critical needs). Such excess increases will require approval by HR.

### **Compensation Reclassification JAQ**

A job may be re-evaluated if it has been determined that the position has been improperly classified or to recognize significant changes in job content and may be assigned to a higher or lower pay grade as a result.

A Compensation Review may also be warranted if there are known retention or recruitment issues. If a job changes significantly, an updated Job Description and Job Analysis Questionnaire (JAQ) should be completed by the incumbent's supervisor/manager and forwarded to HR for review. Reviews will only consider positional duties that are currently performed at the time of submission.

Job evaluations only consider the job duties and responsibilities, not the employee performing the job. Therefore, the following are NOT considered:

- Financial need
- Volume of Work
- Length of Service\*
- Dedication/Performance\*
- Relationship to Management
- Employee Retention

*\*MCS greatly values dedicated and high-performing employees. These factors are considered in the performance evaluation process:*

### **Request for Job Analysis (Department Re-Organization)**

- Departmental Job Analysis Reviews occur in conjunction with preparation for the new fiscal year. All forms are due to the Office of Compensation by the first of the month in which the reviews are conducted. Forms not submitted by the first of the month will not be reviewed until the following month, and will be reviewed on a first come, first served basis.
- All requests must be signed by the department head/Director and approved by the Department Chief.

- All recommended adjustments should be included in the Department's budget proposal development process, and it must be noted that all departments are responsible for funding the costs of any proposed recommendations.



The Human Resources Department will gather all internal and external information and conduct a position review during designated review periods. HR must approve the reclassification for each position evaluated prior to any changes.

A job reclassification is not the same as an employee promotion to a new job. However, should an existing position be reclassified to a higher salary grade, the employee's current pay rate or salary will not be less than the new grade salary minimum. When an employee's job is reclassified to a lower salary grade, the employee will be placed in the salary schedule appropriate to the new position.

All changes/adjustments will take effect in accordance with an agreed upon effective date that must be effective after completion of the Job Analysis review and must be at the start of a new pay period.

### **Demotion (Voluntary and Involuntary)**

A voluntary demotion occurs when an employee decides to take a position that is less complex in nature. In this instance, MSCS will adjust the employee's pay upon the effective date of the new position. The employee's salary will normally be reduced by the greater of either: (a) 7 percent or (b) amount that reduces the salary to a rate equal to the third quartile of their new classification.

In all cases when a demotion occurs, the employee's salary may be reduced by an amount necessary to maintain internal pay equity as recommended by the Compensation Manager and approved by the Chief of Human Resources or designee. The Departmental Director may request a salary adjustment in writing. The requests will be reviewed for potential departments and District pay inequities by the Compensation Manager prior to approval by the Chief of Human Resources or designee.

### **Lateral Transfer**

A lateral transfer occurs when an employee moves to a position having similar duties and responsibilities and the same pay grade as the position which the employee previously held. A lateral move provides an opportunity for employees to broaden their skills and experience to further career development in another location.

In all cases when a lateral transfer occurs, the employee's salary may be reduced by an amount necessary to maintain internal pay equity as recommended by the Compensation Manager and approved by the Chief of Human Resources or designee. The Departmental Director may request a salary adjustment in writing. The requests will be reviewed for potential departments and District pay inequities by the Compensation Manager prior to approval by the Chief of Human Resources or designee.

NOTE: an employee transferring to a position within the same pay grade will not necessarily receive a change in salary/wage, because of the transfer.

### **Transfer From Teaching to Classified Position**

To determine the pay rate for an individual moving from a teaching position to a classified position, use the following process:

- Review incumbent education and experience
- Assess minimum qualifications for the classified position
- Determine related and/or appropriate years of experience for recognition
- Set pay within the new pay range according to recognized experience, utilizing the experience guidelines outlined in the New Hire Rates section

### **Transfer Between Workday Calendars**

An overlap in employee calendars occurs with transfers between Teaching/Classified positions or certain departmental transfers. Due to varied contract beginning and ending dates there may be a reduction or increase in compensable days for the remainder of the respective fiscal year. When days are increased or reduced, the employee's pay may be adjusted.

### **Reinstatement Following Break in Service**

Employees rehired after a break in service which is less than 12 months shall be reinstated at their most recent rate of pay if they are rehired into the same position. Employees rehired into a different position and/or rehired more than 12 months after termination from their prior role shall be paid according to new hire procedures.

### **Expanded Accountability Adjustment**

When an employee is assigned by management to duties and responsibilities of a higher-graded position on a temporary basis or assigned significant additional responsibilities relating to a specific, short-term project, they may qualify to be compensated in the form of Expanded Accountability pay.

Expanded Accountability is granted only for the purpose of filling a short-term operational void. Expanded Accountability should not be granted to fill a position if it is unoccupied as the result of vacation, short illness, or similar situation.

The position in which the employee is "acting" must be unoccupied, approved by HR to have a higher pay grade, and currently be in the department's authorized personnel complement. The employee must perform the Expanded Accountabilities continuously for at least one full pay period.

Required documentation must be submitted by the department and approved by HR. An Expanded Accountability pay request must be received by HR within 30 days of the first day of assuming additional duties. No request for Expanded Accountability pay will be retroactive prior to 30 days before receipt of the initial request. Any expanded accountability pay which is approved will be effective for a period of up to six months. If necessary, an extension may be requested. Any exceptions to the 30 days need to be approved by the COHR.

The following items must be submitted upon request of Expanded Accountability pay:

### **Current Job Description**

- Job description of position to which the temporary duties apply
- Email request from department authority prior to assignment with reason, start date, end date, and estimated date of posting for position in question

- Final Approval Letter from HR
- Change authorization forms with beginning salary and ending salary changes



### **Equity Adjustment**

An equity adjustment is defined as a special salary or wage action to correct an inequity that cannot be corrected within normal compensation administration guidelines. This adjustment is used to react to:

- Sudden shifts in the competitive labor market
- Permanent assignment of significant additional duties and responsibilities to an incumbent of a position, not resulting in a promotion
- Discovery of an administrative error in the application of normal compensation administration guidelines
- New hire pay compression with existing incumbents
- Subordinate pay compression with supervisor

An equity adjustment may only be requested by a manager/supervisor with the approval of the Chief. The manager/supervisor should provide HR and the Internal Compensation Committee with a documented explanation of the need for an equity adjustment for review and approval.

An equity adjustment does not result in a grade change, and the resulting salary must not exceed the maximum of the grade range. For example, new hire pay guidelines might warrant a \$60,000 salary for a new analyst, which is slightly below the midpoint of salary range X. There

may be an existing lead analyst in the pay grade Y (immediately above pay grade X) who is new in the role and therefore makes \$59,000. This situation may warrant an increase in pay for the lead analyst.

### **Overpayment of Wages or Stipends**

In the case of an inadvertent overpayment to an employee, MSCS may deduct the full amount of overpayment to employees. MSCS will comply with guidelines of the Fair Labor Standards Act (FLSA) regarding overpayment(s) to employees.

To minimize the negative impact on the employee, any overpayment must be discovered within 120 days of the occurrence to be recoverable. If the overpayment occurred in multiple pay periods, within the calendar year, the full amount will be recoverable.

If the overpayment occurred in multiple pay periods from two consecutive calendar years, only the overpayment within the current calendar year will be recoverable. The impacted employee and their manager must be notified in writing and recoupment of overpayment will be agreed upon with the employee, not to exceed four (4) payperiods. In some cases, the amount may be prorated over the remaining pay periods of the current fiscal year.

If the overpayment is discovered past 120 days, or the overpayment occurred in the previous calendar year, the overpayment will not be recoverable by MSCS and will remain to the benefit of the employee. However, the overpayment will be reported as additional compensation, subject to payroll deductions, including federal, state, local income taxes and FICA.

### **Back Pay**

A back payment will occur if the employee was paid less than the amount that the employee should have been paid under the agreed salary or stipend amount. When a request for back payment is presented in the current fiscal year, HR will rectify the issue if notified within 30 days of the effective date of the underpayment. If notified after 30 days, the employee is not eligible for back pay, however, it will be corrected going-forward.

Any exceptions must be approved by the Directors and COHR.



# Miscellaneous

## Relocation Allowance

MSCS has designed its Relocation Policy to provide financial assistance and support to a newly hired employee during the relocation process. All assistance is provided at the discretion of MSCS senior leadership based on budgetary constraints and is subject to change at any time. Nothing in this manual should be construed as a guarantee of a relocation allowance or a contract for employment for any period or as altering the at-will nature of the employment relationship. MSCS has the right to terminate employees for any or no reason at all, at any time.

The guidelines referenced in the Relocation Allowance are administered by HR. MSCS is not responsible for any action taken beyond the scope of MSCS' Relocation Policy. The MSCS Compensation Handbook serves as a comprehensive guide for compensation, managers, and new employees.

***NOTE: Any exceptions to the policies, procedures, and guidelines referenced in the MSCS Compensation Handbook must be made in writing and approved by the Superintendent prior to any offers being made.***

## Eligibility

- Certain employees such as teachers and those in leadership positions are eligible for the provisions of the MSCS Relocation Policy, provided the distance between the employee's new place of work and former residence is at least 50 miles more than the distance between the old place of work and former residence. If the employee has no old place of work, the new place of work must be at least 50 miles from the former residence.
- An experienced new exempt salaried employee who is required to relocate by reason of assignment.
- If two or more household members are newly hired by MSCS and are relocated simultaneously, the move is regarded as a single relocation. Relocation allowance, if applicable, will be based on the salary of the primary employee, or the employee whose employment change is causing the relocation; the trailing household member, or secondary employee, will not be considered in determining the relocation allowance.

Note: For purposes of MSCS Relocation Policy, the term "household members" means person or persons who permanently reside with the employee at the time of the offer and for whom the employee provides financial and/or familial-like support. Regardless of marital status or family status, if the above conditions are met, the household member will be considered for benefits under this policy.

The new employee will receive a lump-sum relocation allowance dependent on their incoming role within 30 days of the new employees intended hire date given the employee has signed the offer letter agreeing to the terms of the Employee Reimbursement Agreement. This allowance is to cover all expenses incurred by the employee and household members, which are not specifically covered under other provisions of the Policy. Documentation of actual expenses is not required.



# Regulatory Pay

## FLSA Status

The FLSA requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a work week. However, Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for workers employed as bona fide executive, administrative, professional, and outside sales employees. Section 13(a)(1) and Section 13(a)(17) also exempt certain computer employees. For an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the Department of Labor regulations.

FLSA status is not determined by whether pay for a position is salaried or hourly. It is possible for exempt employees to be paid hourly and non-exempt employees to be salaried. Therefore, if a position is classified as exempt and an employee works part-time, he or she can be paid on an hourly basis. The determination of FLSA classification for a position should be made only by HR, in conjunction with legal counsel.

## Overtime

It is the policy of the Memphis-Shelby County Schools to comply with all federal and state regulations governing the payment of overtime. All employees who are in positions designated as non-exempt shall be paid (1) based on hours worked and (2) overtime wages for all hours worked more than 40 hours in a work week.

It is the supervisor's responsibility to notify employees of required overtime, provide prior approval for overtime work, and keep accurate records of employee work time above forty (40) hours in a work week. The finance office is responsible for ensuring that employees are paid in accordance with time records submitted by the supervisor. HR shall be responsible for interpreting this policy. The Superintendent is responsible for ensuring that this policy is followed.

Overtime is accrued when a non-exempt employee works more than 40 hours in any given work week. The standard work week is defined as a consecutive 7-day period. Computation of overtime shall be based solely on the actual hours worked over 40 hours in one work week. Compensation for any overtime worked shall be paid in accordance with federal and state statutory requirements; and withholding of overtime pay for any reason shall be prohibited.

Prior approval for any overtime worked shall be required by the employee's immediate supervisor.

An employee who works overtime without prior supervisory approval may be subject to disciplinary action up to and including termination from employment. Even if an employee does not receive prior approval, once worked, withholding of overtime pay for work is strictly prohibited and shall not be used as a method of discipline.

Overtime is only paid for time worked above 40 hours in a workweek. Earnings for unpaid time, vacation, holidays, sick leave, bereavement, personal leave, or any other non-worked time are ineligible for the inclusion of overtime pay.

### **Compensatory Time**

Compensatory time refers to an arrangement by which employees take time off instead of receiving overtime pay. Private-sector employers must pay nonexempt employees' wages equal to one-and-one-half times their regular hourly rate of pay for all hours worked above 40 hours in a single work week. They cannot provide compensatory time off instead of overtime pay.

State or local government employers, *with the agreement of employees*, are allowed to provide nonexempt employees with compensatory time off at a rate of at least one and one-half hours of paid time off for each hour of overtime worked instead of overtime pay.

MSCS shall provide vacation leave to all eligible employees.

### **On-Call Policy**

Being "on-call" means an employee is available to work when their employer contacts them *outside* of their regularly scheduled workday/hours to address an unpredictable matter. An employee who is on call is not necessarily working their full, regularly scheduled hours, but they are available in case they need to work. Employees may need to report to their workplace when on call. However, in most cases, this is usually the time spent by employees away from their office/worksites, when the employee must remain available and accessible to handle work-related calls and/or respond to incidents with short notice. On-call employees must be well-trained in responding promptly to provide immediate attention and relevant resolutions to issues when on call.

Some examples of circumstances that may constitute on-call coverage include:

- When a department is running a critical operation that requires continuous coverage by well-trained staff
- When a department is working on a critical phase of a project that requires immediate staff consultation, advice, or resolution
- When there is an urgent situation that could have a negative impact on the overall operation

On-call pay may be used as a financial incentive and compensation tool to employees who are required to be available to respond to the operational needs of their department and/or the District.

### **Eligibility**

Individual departments must determine the eligibility requirements for team members considered for on-call duty. Once the on-call requirements are determined by the department, Human Resources (HR) will determine if the requirements meet the on-call requirements for approval.

To be eligible for on-call pay, a staff member must first be required to be on-call by their department. A staff member who must be on-call must be available and able to respond to urgent needs within a reasonable amount of time, determined by their department leadership.

### **Procedures**

On-call procedures will be determined by each individual Memphis-Shelby County Schools (MSCS) division/department and approved by HR. Each department must first exhibit a need for staff members to be on-call and must consult with the MSCS Office of Compensation when establishing an on-call practice. This ensures compliance with labor laws and regulations. Appropriate on-call pay is determined by each department but must be approved by both Budget and Compensation based on availability of funds to support on-call pay.

Adequate training for all on-call employees must be completed prior to being assigned on-call duty. On-call employees must be given ample notification of their on-call duty schedule, which will be determined by each department. To ensure coverage is not compromised, it is each employee's responsibility to provide sufficient notice when requesting a change in their assigned on-call schedule. Notification requirements will be determined by each department's leadership. Each department is responsible for determining a reasonable response time to urgent matters and all on-call response procedures for on-call staff.

### **On-Call Pay**

On-call pay means that employees receive compensation while waiting for work to take place. When an employer limits their employee's ability to move about freely, preventing them from using idle time for personal matters, this is called "engaged to wait." On-call pay is compensation for hours when an employee is "engaged to wait" for an occurrence to take place where they must respond to an urgent matter immediately. On-call pay is not required of employers when employees are not "engaged to wait" but are "waiting to engage." This means the on-call employee can move about freely to tend to personal matters or their use of time is not restricted; the hours spent waiting for work are not compensated for such instances. Being on call is different from working overtime. However, if an employee is engaged to wait, then

the time spent in this phase is considered as off duty, according to the Fair Labor Standards Act (FLSA).

On-call pay rates are the same as a non-exempt employee's regular rate of pay. However, if the total number of hours worked qualifies for overtime while on call, then the number of hours worked on-call should be multiplied by the applicable rate of pay for that employee. Exempt versus non-exempt employee status will be determined by the Office of Compensation and pay rates will vary, based on exemptions. Each MSCS department/division must provide on-call pay structures to the Office of Compensation for approval.

Any employee called to report for work or contacted to complete an urgent task outside their regularly scheduled/contractual work hours shall be guaranteed at least four work hours. The maximum number of total work hours performed for on-call duty per pay period will be determined by each individual department/division and reported to the Office of Compensation.



