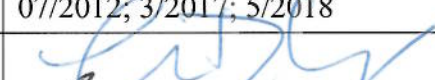



LOUISIANA HOUSING CORPORATION		PERSONNEL POLICY NO. 31	
SUBJECT: OPTIONAL PAY			
Review Dates:	07/2012; 3/2017; 5/2018		
Approval:		Kevin Brady	Date: 05/15/18
Approval:		E. Keith Cunningham	Date: 5/15/18

SUMMARY OF CHANGES		
Date	Author	Change Description
05/18	K. Brady	<ul style="list-style-type: none"> <li>Changes made as required by Civil Service for the 2018 Compensation Redesign Program.</li> <li>Employees at range max are not eligible for Optional Pay to Match a Job Offer, recruitment, or compression.</li> <li>Civil Service capped Optional Pay for Additional Duties at 5%. No additional can be requested from the Civil Service Commission.</li> </ul>
03/17	K. Brady	<ul style="list-style-type: none"> <li>Correct punctuation and grammatical errors.</li> <li>Adjust optional pay amounts in compliance with Civil Service revised rules.</li> <li>Clarify the types of optional pay and the reasons to request.</li> </ul>

**I. Policy.**

In accordance with State Civil Service Rule 6.16.2 Optional Pay Adjustments, it is the policy of the Louisiana Housing Corporation (LHC) that the appointing authority may, at his own discretion, grant individual pay adjustments for the recruitment and retention of employees.

**II. Applicability.**

This policy applies to all permanent classified employees of LHC with a minimum “Successful” overall rating or the equivalent on their most recent annual Performance Evaluation.

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

**III. Implementation.**

This and subsequent revisions shall become effective on the date approved by the State Civil Service Commission.

**IV. Types of Optional Pay.**

Provided that funding is available, LHC may consider granting optional pay in either base pay or lump sum adjustments to eligible employees for the reasons below.

**1. Matching a job offer.**

To provide for the retention of employees deemed essential to the agency.

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

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

## **2. Compression.**

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

Employees at 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 they supervise. 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 20 years of service/ experience and makes less than the subordinate with 7 years of service, an agency may want to give 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, or performance.

This 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 should always be taken into consideration and only LHC employees should be compared.

If an agency is planning to pay a large group of employees, give compression to the same employee in multiple fiscal years, or would like to address something the agency feels is compression specifically not listed above, then prior notification to Civil Service is required.

Human Resources maintains information documenting compression pay including text about the employee, the comparable employee(s), reason for the payment, and any merit factors used to determine that the compression payment is justified.



**3. 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 of up to 5% to an employee who is assigned additional duties on a permanent basis. Such permanent duties shall be documented in an official position description and processed by State Civil Service within thirty (30) days prior to granting the adjustment.

An employee may not receive more than 10% in 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 at 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 has already been compensated according to another State Civil Service Rule.

**4. Recruitment.**

To recruit employees into difficult to recruit jobs.

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

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

**V. Posting and reporting.**

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 detailing payments made to employees under State Civil Service Rule 6.16.2 during the previous fiscal year ending June 30<sup>th</sup>.