State Classified Compensation Changes

Fiscal Year 2013-2014
Order of Process

- Determine quartile placement using current salary in current pay range
- Cost of Living (2%) applied to current base salary of all employees (base building)
- Merit % applied to current base salary of all employees – factors in placement in quartile and performance evaluation rating (base building for Qs 1-3 and one time lump sum in July’s pay for those in Q 4.
**Merit Matrix**

http://www.hrs.colostate.edu/compensation/state-class-quartiles.html

<table>
<thead>
<tr>
<th>Level</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 3</td>
<td>2.40%</td>
<td>2.10%</td>
<td>2.10%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Level 2</td>
<td>1.80%</td>
<td>1.60%</td>
<td>1.10%</td>
<td>0.60%</td>
</tr>
<tr>
<td>Level 1</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Current Salary \times (COL + MERIT) = \text{New Salary}
Still below the NEW minimum pay range?

- Will automatically be increased to the minimum of the range.
Above the new maximum of the pay range?

- Saved Pay for up to 3 years
End of July Pay

- Will include base building amounts
  - COL and MERIT Q 1-3.
- Will include one time lump sum for Q4
End of August Pay and beyond...

- Will include only base building amounts
Example #1

- Current pay: $2050/month
- Current Range $1000-$5000
- In 2\(^{nd}\) Quartile within current pay range
- Received a “2” on performance evaluation

$2050 \times (2\% + 1.6\%) = \text{(July pay forward)}$
$2050 + 73.80 = \$2123.80/\text{mo} = \$2124$

- If new range $2500-$5000, will move to $2500/\text{mo automatically}$
Example #2

- Current pay = $4500/mo
- Current range = $1000-$5000
- In 4th Quartile within current pay range
- Received a “3” on performance evaluation

\[ ($4500 \times 2\%) + ($4500(12) \times 2.1\%) = \text{July Pay} \]
\[ $4500 + $90 + $1134 = $5724 \]  
(base building COL and one time merit)

- $4500 \times 2\% = $90
  
  $4500 + $90 = $4590/mo \text{ (Aug Pay forward)}

- If new range $2000-$4000. In saved pay for up to 3 years.
Ultimate Goals

- Talent Agenda: Recruit and Retain quality employees using a market based and merit system
  - longevity steps gone
  - cost of living potentially phased out
- Use a greater percentage of the salary range and move individuals towards the market midpoint (normal bell curve)
  - currently an inverted bell curve
Questions?

Links to Current and New Pay Ranges:

http://hrs.colostate.edu/compensation/classification-sc.html

http://www.colorado.gov/cs/Satellite?c=Page&cid=1213089701845&page_name=DPA-DHR%2FDHRLayout