

Section: Pay	Issue Date: 7/2019	Section # 2.004
Subsection: Wage and Salary Policy	Revised Date: 8/3/2020	Page 11

PURPOSE:

The purpose of the L.E.A.P. Wage and Salary Policy is to:

- Establish guidelines for managing L.E.A.P.'s pay practices.
- Maintain fair and competitive salary ranges consistent with L.E.A.P.'s economic requirements
- Attract and retain qualified employees by maintaining a salary structure that is competitive with the external job market.
- Promote internal equity and consistency across diverse L.E.A.P. job functions

POLICY:

- A. It is L.E.A.P.'s policy to compensate employees according to the nature of the job, required qualifications, training and experience, the financial resources of the agency and other relevant factors.
- B. It is L.E.A.P.'s policy to pay competitive wages based on the market value of similar jobs within the region and through professional networks and organizations similar to L.E.A.P. (Community Action and Head Start networks), while maintaining fiscal control of salary growth. To achieve this goal L.E.A.P. will conduct periodic reviews of its pay ranges compared to those in various salary surveys. The Human Resources Director is responsible to collect salary comparisons every 2 years.
- C. L.E.A.P. employees shall be classified as regular full-time, part-time, per diem or temporary. Each employee shall be designated either non-exempt or as exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act (FLSA). Therefore, all non-exempt employees will be entitled to pay at the minimum of time and one-half for all hours **worked** in excess of forty hours per week.
- D. Adoption of the Wage and Salary Policy:
 1. All employees will be/have been assigned a title corresponding to the L.E.A.P. Grade Scale
 2. All employees will be paid within the Grade Scale established for his/her job title under the formerly adopted L.E.A.P. Grade Scale
 3. Any employee whose salary exceeds the established maximum of the L.E.A.P. Grade Scale will be frozen at their current salary until such time as the pay range for that grade level exceeds the employee's pay or the employee is promoted to a classification in a higher pay grade.
 4. Newly hired employee's pay shall be set at the base level of the pay grade for the title for which they were hired.
 5. All employees are assigned a Date of Hire, this date will not change, and a Date in Title, which will change only when an employee takes a new position (job title).
 6. Once placed on the Grade Scale, employees, if eligible, will continue to earn increments and longevity. Eligibility is based on employee's current wage and position on the Grade Scale, etc.
- E. The Executive Director shall continue to evaluate economic factors affecting L.E.A.P. and its employees and take such action as warranted and feasible.
- F. Nothing in this policy shall limit L.E.A.P. in exercising its management functions, including but not limited to, directing the work force, discipline, and discharge. L.E.A.P. reserves the right to amend, modify, and delete provisions of this and all other policies of the agency.
- G. All employees who contribute at least 1% of their gross salary to the 401(k) will receive a 1% match excepting the Executive Director who will receive a 3% match when contributing at least 3%.
- H. This Policy supersedes all previous policies concerning this subject matter.

Section 1 – The Grade Scale

- A. Will be amended as necessary to conform to changes in Wage and Hour Laws.
- B. Changes in title and base rates of pay must be approved by the Board of Directors and the Head Start Policy Council as necessary.
- C. Will be presented annually as part of the annual budget process for the agency fiscal year.
- D. Changes to non-exempt base wages and exempt salaries may be recommended based on turnover of staff and long-term vacancies when it is determined that wages are a barrier to recruitment and retention of quality staff.
- E. When COLA increases are provided by funders, the percentage of COLA provided will be applied to the base wage on both the non-exempt and exempt scale and the increments will be increased proportionally as follows:
 - a. Non-Exempt Tier 1 will increase \$0.10 per increment year
 - b. Non-Exempt Tier 2 will increase \$0.15 per increment year

- c. Non-Exempt Tier 3 will increase \$0.20 per increment year
- d. Non-Exempt Tier 4 will increase \$0.25 per increment year
- e. Non-Exempt Tier 5 base is multiplied by 1.03 per increment year
- f. Exempt employees will increase 2% per increment year.
- F. COLA will not be applied to longevity.
- G. Funding COLA's will be applied to all titles regardless of the source of the COLA.
- H. Retroactive COLA increases will be paid to active, current staff only.
- I. L.E.A.P. reserves the right to award one-time stipends to employees for exemplary dedication to the mission of L.E.A.P. when funding permits.

Section 1A – Non-Exempt Employees

- A. All new hires will begin at the base rate hourly wage for the title for which they have been hired
- B. At the time of original hire, the Date of Hire and Date in Title will be the same.
- C. Employment records will reflect the starting date as Date of Hire – this date will never change. Date in Title will change whenever an employee takes a new position within the agency.
- D. When an employee has been in their position for a full year their hourly wage will be adjusted to the Year 1 on the Grade Scale.
- E. Once placed on the Grade Scale, employees will continue to earn increments on the Grade Scale (Year 2, Year 4, Year 6) and longevity as outlined on the Grade Scale.
- F. Once earned, employees will retain their longevity even if they change titles.

Section 1B – Frozen Employees

- A. Employees whose hourly wage exceeds the amount that the Grade Scale allows, based on Date in Title and earned longevity, will remain at the higher rate of pay until the calculated increments and longevity catch up to them or they leave agency service.

Section 1C - Exempt Employees

- A. The Grade Scale works the same way for Exempt employees as Non-Exempt except that the Grade Scale is based on an annual salary rather than an hourly wage.
- B. Exempt employees' salaries are determined by Date of Hire and Date in Title as outlined previously.
- C. In cases of promotions from non-exempt to exempt, longevity is awarded at the annual rather than the hourly rate at the level consistent with Date of Hire.
- D. Exempt staff whose current salary exceeds the salary consistent with the Grade Scale, will continue to receive the higher salary until the salary earned by Date of Hire and Date in Title exceeds their current salary or they leave agency service.

Section 1D – Temporary Work in another Title

- A. Non-Exempt Employees –
 1. When based on the needs of the agency and at the request of a supervisor, an employee **performs some duties of a title outside of their Title for a portion of a workday** they will receive a wage adjustment equal **to \$1.00** per hour in addition to their current hourly rate for the hours they are performing duties out of title regardless of whether they are frozen in their current title. This wage adjustment will be paid in the form of a stipend.
 2. When based on the needs of the agency and at the request of a supervisor, an employee **assumes the full responsibility of a title not their own temporarily due to a leave of absence or extended vacancy** they will **receive a wage adjustment equal to \$1.00 per hour in addition to** their hourly rate **and** they will be paid a stipend for the period they are performing in the temporary title. The stipend will be equal to **\$100** for every increase in Grade Scale Tier between their current title and their temporary title per pay period.
 3. When based on the needs of the agency and at the request of a supervisor an employee **assumes the full responsibility of a title not their own temporarily, due to a leave of absence or extended vacancy**, and the temporary title is in the same tier as their current title, **they will receive a wage adjustment equal to \$1.00 per hour in addition to** their hourly rate **and** they will be paid a stipend equal to **\$50** per pay period**.
 4. When based on the needs of the agency and at the request of a supervisor an employee **assumes the full responsibility of a title not their own temporarily, due to a leave of absence or extended vacancy**, and the temporary title is in a tier below their grade scale tier **they will receive a wage adjustment equal to \$1.00**

per hour in addition to their hourly rate and they will receive a stipend for the period they are performing in the temporary title equal to \$25 per pay period**

****Note: for 2. and 3. when the employee assumes the full responsibility of a title not their own for only a portion of a pay period, that employee will receive a pro-rated stipend based on the number of days in the temporary title.**

B. Non-Exempt to Exempt Employees –

1. When based on the needs of the agency and at the request of a Program Director, a Non-Exempt employee assumes an Exempt title temporarily, due to a leave of absence or extended vacancy, their hourly rate will remain the same but they will be paid a stipend in addition to their regular wage for the period they are performing duties of the temporary title. The stipend will be determined as follows:
 - a. The Program Director and non-exempt employee impacted will determine the extent of the duties of the exempt title being filled on a temporary basis.
 - b. The Executive Director, HR Director and Program Director will review the duties and determine the “annualized salary” for the temporary position based on the extent to which a person is assuming the duties of the exempt title – this “annualized salary” will not exceed the base salary for the exempt title as detailed in the Grade Scale in effect at the time.
 - c. The current annualized hourly wages for the non-exempt employee, inclusive of longevity and steps already earned, will be subtracted from the “annualized salary” as outlined above (b.). The difference will be divided by 26 to determine the stipend to be received each pay period while performing in the temporary exempt position. The stipend will be added to the employee’s payroll for each pay period affected by the Program Director.
 - d. The exempt job duties assumed, the stipend, and a statement of expected duration of the temporary assignment will be documented and signed off on by the employee and Program Director; a copy will be maintained in the employee’s personnel file. Please note that the employee’s status (i.e. non-exempt) will not change during the temporary assignment and hours worked exceeding agreed upon scheduled hours will not increase the amount of the stipend.

C. Exempt to Exempt Temporary Work in another Title –

1. When based on the needs of the agency and at the request of the Executive Director and/or Program Director, an exempt employee assumes another exempt title temporarily, due to a leave of absence or extended vacancy, their rate of pay will remain the same but they will be paid a stipend in addition to their regular rate of pay for the period they are performing duties of the temporary title. The stipend will be determined as follows:
 - a. The Executive Director and exempt employee impacted will determine the extent of the duties of the exempt title being filled on a temporary basis.
 - b. The Executive Director and the HR Director will review the duties and determine the stipend based on the extent of the duties of the exempt title being filled on a temporary basis. The stipend will be added to the employee’s payroll for each pay period affected by the Program Director or the Program Director.

Section 1F – Promotions/Demotions/Lateral Transfers

L.E.A.P. encourages and supports the professional development of all staff and actively seeks to promote current employees to positions for which they are qualified.

- A. Promotion – When an employee is promoted to a title in a higher tier on the Grade Scale than their current position, they will be placed at the base wage rate for that position and be given a new Date in Title – they then move through the year increments based on the new Date in Title. Longevity already earned, based on the Date of Hire, is added to the hourly wage based on Date in Title.
- B. Demotion – Demotion can be voluntary or involuntary
 1. Voluntary demotion occurs when an employee chooses to take a position of a job title in a tier of the Grade Scale which is lower than their current job title. This involves no performance and/or disciplinary issues and it is in the best interest of the agency.
 - a. Employee will be placed on the Grade Scale at the base rate for the new position but, they will retain their longevity already earned. This may result in a wage reduction.
 - b. Voluntary demotions will result in a change in Date in Title.
 - c. Voluntary demotions must be recommended by the Program Director and approved by the HR Director.

2. Involuntary demotion occurs when, based on documented performance issues, it is determined that an employee is not able to perform the duties of their current position but is still considered an asset to the agency.
 - a. Employee will be placed at the base level of the new position with their earned longevity added. This may result in a wage reduction.
 - b. Involuntary demotions are at the direction of the Program Director and approved by the HR Director.
- C. Lateral Transfers occur when an employee takes a position within the same tier that they currently occupy at the same increment year and longevity that they have already earned in their previous job title. If their current rate of pay is more than their new rate of pay, they will remain at their current wage until such time as their Date in Title and longevity catches up with their current wage. In lateral transfers the Date in Title will not change.

Section 1G – Returning Employees

Employees who left the agency in good standing and desire to return to the agency will be hired at the base rate for the position for which they have applied. If they return to agency employment within one (1) year of separation, they will be awarded the longevity previously earned through employment with the agency.

Section 1H – Grade Scale Maintenance

A. Increments and longevity will be awarded as follows:

Date of Hire/Date in Title Between	Increments/Longevity Awarded
January 1 st through March 31 st	January 1st
April 1 st through June 30 th	April 1 st
July 1 st through September 30 th	July 1st
October 1 st through December 31 st	October 1st