I. Purpose/Introduction/Rationale

The purpose of this procedure is to define the guidelines to be followed in determining appropriate compensation adjustments when employees move from one position to another, whether it be a promotion, demotion, or lateral transfer.

The Human Resource Department should be contacted concerning questions regarding salary adjustment of any kind.

II. Definitions

Promotions
A promotion occurs when an employee assumes a new job at a higher pay grade level.

Demotions
Voluntary Demotions
A voluntary demotion occurs when an employee accepts a position at a lower pay grade level.

Involuntary Demotions
An involuntary demotion occurs when the College assigns an employee to a position at a lower pay grade level. Such a demotion may occur when it is determined that an employee is unable to perform the job and that additional training will not resolve performance deficiencies (performance-related) or when the employee's current position is eliminated and placement is only available at a lower pay grade level.

Transfers
A transfer occurs when an employee assumes a new job within the same pay grade level. Under normal circumstances, employees transferring within the same pay grade will maintain their current salary base. There may be situations where an increase in salary is warranted, such as when a transfer is made at the request of the College based upon employee's special skills, abilities, and qualifications. All requests for this type of an increase must be approved by the Human Resources Department.

III. Procedure or Application

A. Promotions
   1. A staff member will receive a salary increase in recognition of a promotion. In determining the appropriate increase amount, the employee's current pay rate will be divided by the current grade mid-point to determine the comp-ratio (relationship between the actual rate and the...
grade midpoint). The resulting factor will be multiplied by the mid-point of the new (higher) pay grade to determine the employee’s new pay rate.

Example:

<table>
<thead>
<tr>
<th>Current Grade</th>
<th>Current Rate</th>
<th>Current Midpoint</th>
<th>% of Rate to Midpoint</th>
<th>New Grade</th>
<th>New Grade Midpoint</th>
<th>% of Rate to Midpoint</th>
<th>New Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>$9.00</td>
<td>$11.00</td>
<td>82%</td>
<td>21</td>
<td>$11.88</td>
<td>82%</td>
<td>$9.74</td>
</tr>
</tbody>
</table>

2. All non-exempt staff members must be paid at least at the minimum hiring rate of their assigned pay grade.

3. Those staff members for whom application of this methodology will result in a pay rate which falls above the new grade maximum will be limited to a promotional increase of 5%.

B. Voluntary Demotions

1. If a voluntary demotion occurs, and the employee had been promoted into the position currently held, the employee’s current salary would be reduced by the percentage increase that was provided. Only the promotional portion of the increase will be adjusted in those instances where a promotion occurred simultaneously with the individual’s annual salary increase.

2. If a voluntary demotion occurs, and the employee had not been promoted into the position currently held, the employee’s current pay rate will be divided by the current grade mid-point to determine the compa-ratio (relationship between the actual rate and the grade midpoint). The resulting factor will be multiplied by the mid-point of the new (lower) pay grade to determine the employee’s new pay rate.

Example:

<table>
<thead>
<tr>
<th>Current Grade</th>
<th>Current Rate</th>
<th>Current Midpoint</th>
<th>% of Rate to Midpoint</th>
<th>New Grade</th>
<th>New Grade Midpoint</th>
<th>% of Rate to Midpoint</th>
<th>New Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>$9.00</td>
<td>$11.00</td>
<td>82%</td>
<td>19</td>
<td>$10.00</td>
<td>82%</td>
<td>$8.20</td>
</tr>
</tbody>
</table>

C. Involuntary Demotions

1. Performance Related
   a. Will be treated the same as voluntary demotion.

2. Elimination of Position
   a. A demotion due to the elimination of a position will result in the employee maintaining the current rate only if the newly assigned position is within one grade of their eliminated position. If the position accepted is more than one grade below the original position, a salary adjustment will be made according to the above example. If this process places the employee's salary above the maximum of the grade, the employee will not receive salary increases until their salary comes within the salary range for the position.

D. Exceptions

1. Internal equity considerations must be taken into account when applying these guidelines to ensure that pay inequities do not result from their application. In those instances where the
application of these guidelines will result in pay inequities between an incumbent employee and others with similar classifications and dates of service, the pay adjustment may be modified accordingly.

2. The College may make exception to the above only if it is determined that it is in the best interest of the College. All exceptions need to be made by the Vice Presidents and the Human Resource Department.

IV. Related Policies or Applicable Publications

N/A

V. Appendices/Supplemental Materials

N/A

VI. Rationale for Revision

N/A