

Employee Demotion

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1.0 POLICY

In circumstances where an employee is disciplined for cause, significant disciplinary measures may include a demotion of the employee to a position assigned to a lesser salary grade and requiring a lesser level of work and a correspondingly lesser salary.

2.0 PURPOSE

To provide an opportunity for an employee who is not able to adequately perform in one role to acceptably perform in a lesser role. Demotions may be used in lieu of termination.

3.0 SCOPE

This policy applies to all benefit-eligible employees.

4.0 DEFINITIONS

- 4.1 **Benefit-Eligible** - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage. See **Policy on Position Types**.
- 4.2 **Demotion** - The movement of an employee from a position in one job classification to a position in another job classification assigned to a lesser salary grade as the result of discreditable circumstances.
- 4.3 **Salary Grade** - The job value the Town is willing and able to pay. The salary grade is based on the market value of jobs and internal value to the organization. The salary grade is the basis for most salary administration calculations.

5.0 ORGANIZATIONAL RULES

- 5.1 The salary of a demoted employee will be reduced to a salary not less than 5% of their current salary.
- 5.2 In some disciplinary situations, an employee may not be separated from the position he currently occupies and placed in a position assigned to a lesser salary range if no such position exists. In these situations, the employee's salary is decreased by at least 5%.
- 5.3 Department Heads must contact the Human Resources Department for coordination in advance of taking this corrective action.

6.0 PROCEDURES

- 6.1 If the demotion is a corrective action, supervisors must follow the procedures as covered in the Policy on Corrective Action.
- 6.2 All pay decreases as a result of demotion will be effective the first day of the next full pay period following the date of the demotion. In order for this to occur, payroll must receive written documentation of the demotion, with the Department Head submitting the documentation to Payroll by the published payroll changes turn-in date issued each year by Human Resources

7.0 APPENDIX, APPENDICES

None