

# Market Based Salary Adjustments

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## 1.0 POLICY

The Town of Carolina Beach makes adjustments to employees' salaries based on the market rate of pay for like jobs and the value of jobs within the Town service.

## 2.0 PURPOSE

To maintain the Town's compensation philosophy regarding salary market competitiveness and salary equity.

## 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 **Compa-ratio** - The relationship of an employee's salary to the salary mid-point of the position. A compa-ratio is the employee's salary expressed as a percentage of the salary mid-point.
- 4.3 **Salary Range** - The job value the Town is willing and able to pay. The salary range is based on the market value of jobs and internal value to the organization. The salary range is the basis for most salary administration calculations.
- 4.4 **Job Classification** - A group of positions in which subject-matter of work, level of difficulty and responsibility, and qualification requirements are sufficiently similar to warrant allocation to the same job title and salary range.

## 5.0 ORGANIZATIONAL RULES

- 5.1 As periodic review of the Town's overall compensation program necessitates, employee salaries and merit increase eligibility may be adjusted in order to maintain salary equity relationships when the job classification to which a position is allocated is assigned to a different salary range.
- 5.2 **Increase in Job Value** - When the value of the position an employee occupies is reassigned to a salary grade having a greater value, the employee's salary is normally increased to maintain the same relative salary compa-ratio.
- 5.3 **Decrease in Job Value** - When the value of the position an employee occupies is reassigned to a salary grade having a lesser value, the employee's salary is not normally decreased.
- 5.4 **Effects on Merit Increase Eligibility** - In some cases, an employee's eligibility for a salary increase may be affected by a market adjustment.

## 6.0 PROCEDURES

- 6.1 The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data and other relevant information.

- 6.2 The Human Resources Department analyzes market data on salaries and benefits to determine the Town's relationship to the compensation market.
- 6.3 The Human Resources Department recommends to the Town Manager reasonable compensation and benefit program offerings and/or adjustments that support the effective application of the Town's Compensation Philosophy.
- 6.4 All market-based salary adjustments will be effective the first day of the next full pay period following the approval of the market-based salary adjustment data. In order for this to occur, payroll must receive written documentation to support the market-based salary adjustment, 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