

# Salary Increase Refusal

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## 1.0 POLICY

The Town of Carolina Beach desires to ensure that an employee refusing an awarded salary increase is aware of the impacts of declining the increase by documenting the decision and ensuring that it is a conscious decision on the employee's part.

## 2.0 PURPOSE

The Town recognizes that some employees may have personal reasons for declining a salary increase such as to maintain salary below the threshold to continue qualification for other forms of compensation or benefits coverage not offered by the Town. This might include retirement pensions, Medicare/Medicaid, Social Security income, etc. This most typically occurs in situations where a part-time benefit-eligible employee wishes to maintain his salary below a certain threshold.

## 3.0 SCOPE

This policy applies to all employees.

## 4.0 DEFINITIONS

- 4.1 **Official Employment Record** - A file that is maintained in the Town Human Resources Department and contains information relating to the employment record of an employee, former employee or retiree of the Town of Carolina Beach. Employee files and records maintained in the departments are a part of the employee's official employment record.

## 5.0 ORGANIZATIONAL RULES

- 5.1 An employee may accept or decline a salary increase.
- 5.2 A declined salary increase will not be awarded at a future date nor considered or accounted for in future salary increases.
- 5.3 Declined salary increases will impact benefits increases that are based on salary.
- 5.4 The employee, the employee's supervisor and a witness must all sign the salary increase refusal letter. The letter may not be amended in any way.
- 5.5 The witness must see both the supervisor and the employee sign the letter.
- 5.6 The original signed letter must be sent to the Human Resources Department for inclusion in the employee's official employment record.

## 6.0 PROCEDURES

- 6.1 If an employee informs his supervisor during a performance evaluation that he wishes to decline a salary increase offer, the supervisor should inform the employee of the implications as discussed in 5.2 and 5.3 above.
- 6.2 If the employee, after having the implications explained, still wishes to decline the salary increase, the supervisor should have the employee complete and sign the salary refusal letter.
  - A. Print the **Salary Increase Refusal Letter**
  - B. Fill in the blanks as appropriate
  - C. The employee and the employee's supervisor must sign the letter

- D. A witness who has seen both the employee and the supervisor sign the letter must sign the letter. It is not necessary for the witness to know the contents of the document or participate in the discussion leading to it but to verify that both parties signed the document.
- 6.3 After the letter has been completed and signed, the supervisor forwards the original, signed letter to the Human Resources Department for inclusion in the employee's official employment record.

## **7.0 APPENDIX, APPENDICES**

- **Salary Increase Refusal Letter**