Idaho Commission of Pardons and Parole	Standard Operating Procedure	Title: Compensation Policy		Page: 1 of 4
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Open to the public: X Yes

SCOPE

This Standard Operating Procedure (SOP) concerns the employee compensation philosophies and practices of the Parole Commission (Commission).

Revision Summary
Revision date (5/8/23) version 2.0: Updated to mirror DHR Employee compensation policy of 12/27/21

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POLICY CONTROL NUMBER

103

PURPOSE

This SOP is intended to be consistent with and implement the requirements for employee compensation set forth in the Personnel System Act, and the IDAPA Rules of the Division of Human Resources (DHR) and Idaho Personnel Commission, as well as guidance from the Idaho Division of Financial Management (DFM).

RESPONSIBILITY

- This SOP applies to all Commission staff who are classified, or temporary, employees.

GENERAL REQUIREMENTS

This SOP is a guide to recruit, retain, and reward Commission staff, with a fair and consistent compensation policy. The intent is to allow Commission staff to realize their career potentials and reward Commission staff who promote productivity and accountability. This SOP is also intended to facilitate transparency in the Commission's pay practices.

PROCEDURE:

1. **Standard Procedures**

Compensation for full-time and part-time classified, employees shall be based on a pay rate appropriate for the job classification. Compensation for temporary employees shall be determined in the Executive Director's discretion, subject to any DHR requirements.

Each job classification is assigned a pay grade. Each pay grade is assigned hourly minimum, policy (mid-point), and maximum rates of pay based upon comparisons of similar positions within the relevant labor market, both externally and internally. The pay grades and the minimum, policy, and maximum rates are provided by DHR, and the pay grades for all classified positions are reflected in the State of Idaho's compensation schedule.

The DHR makes all decisions for changes in the rates established for pay grades. The Commission is responsible for establishing and maintaining a compensation plan which reflects the Idaho compensation schedule and which outlines the compensation plan. The Commission shall follow legislative mandates and guidelines established by DHR and DFM.

The Commission shall provide equal pay for equal work under similar working conditions, without regard for race, color, religion, sex, age, national origin, disability, veteran and/or citizenship status. The Commission shall comply with Federal law which prohibits employment discrimination against persons because of their service in the Armed Forces Reserve, the National Guard, or other uniformed services.

2. **Compensation Approval Process for Current Employees**

Compensation related changes and/or decisions shall be effective only after final approval of the Executive Director. Upon approval, the Commission staff shall complete and submit to payroll the compensation related forms for processing.

The Commission shall follow the general compensation guidelines established by the -DHR rules. The Executive Director may, with approval from -DHR, advance an employee's rate within a pay grade based upon factors such as market demand or compression of compensation within a classification. Additionally, an employee can be reclassified to another classification with a different pay grade, only upon approval by the Executive Director and -DHR Any changes shall be supported by business needs, and the Commission shall consider internal equity and the personnel budget when any deviation from the guideline is considered.

Commission staff may also receive pay increases based on merit and/or legislative action.

3. **Pay for New Employees**

Initial compensation for new Commission staff shall be determined by a compensation analysis; new Commission staff compensation analysis is based upon experience, relevant background, and the relationship to the pay grade and internal equity. All compensation shall be effective only after final approval of the Executive Director.

Commission staff may receive future pay increases based on merit and/or legislative action.

4. Salary Savings

When applicable, the Commission may utilize salary savings from additional unused employee compensation in the personnel budget to satisfy compensatory time, bonuses, merits, market increases, and other personnel costs. The Commission shall determine the availability of any additional employee compensation and any use of said funds shall be at the sole discretion of the Executive Director and is subject to review and approval by DFM.

5. Increases in Compensation

At the discretion of the Executive Director, Commission staff may receive increases in their salaries or hourly rates and/or they may receive bonuses. An employee's job performance and a written performance evaluation shall determine the eligibility and amount of any salary increase and/or bonus. A salary increase or bonus shall not be authorized without an evaluation confirming the employee satisfies performance criteria.

- **Permanent Merit Increases**

  A permanent merit increase is a raise in an employee's base pay rate. To qualify for permanent merit pay increases, an employee's service must meet or exceed performance expectations. This must be documented in a performance evaluation rated "Achieves Performance Standards" or better and completed within the twelve (12) months prior to the effective date of the increase.

  The Commission leadership will determine a plan for merit increases. The merit increase percentages are determined after the legislature approves the annual personnel budget. The Executive Director and DFM will approve any merit increases.

  The individual merit increase percentages will be based upon job-related performance and funds available in the personnel budget. Merit increases are effective the beginning of the current or upcoming pay period. A DFM approved merit matrix may be used annually.

- **Pay Line Moves**

  A Pay Line move is movement of the pay schedule (the minimum pay rate, policy, and/or maximum pay rate for each pay grade) by the Legislature. Any employee with a rate of pay that falls below the new minimum rate of the pay grade must receive a rate adjustment to at least the new minimum, regardless of performance rating.

- **Permanent Equity Adjustment Increases**
  - An equity adjustment increase provides a mechanism for addressing salary inequities due to internal or external market demands, market increases and/or to correct an inequity among positions of comparable value in the agency (e.g. equivalent knowledge, skills, abilities, effort, and responsibilities).

  - An equity adjustment is not to be used to circumvent the merit system or to compensate an employee for an increase in workload, responsibilities or solely to reward longevity.

  - In order for an employee to receive a salary equity increase, the employee must have a current performance evaluation with an overall rating of "Achieves Performance Standards" or better and may not be on entrance probation or a temporary employee.

  - In advance of implementation, an agency must submit written justification to DHR and DFM for approval. The justification will include sufficient details and salary analysis to explain the inequity and proposed equity adjustment. The documentation should clearly identify the internal and/or external job comparisons that were used. Comparisons should be similar in size, depth, breadth and scope of work. DHR is available to assist in planning and conducting salary analysis and comparisons to ensure appropriate comparisons and alignment with state jobs. DHR may request additional information in order to make a final determination.

- **Bonuses**
  At the discretion of the Executive Director, and where funds are available, Commission employees may be eligible for bonuses. A bonus may be awarded on one or more occasions during the fiscal year, but in no event shall the aggregate bonus exceed $2,000 for the fiscal year. Prior to payment of any bonus, the Executive Director shall describe, in writing, the basis for the bonus, for the employee's personnel file. The bonus should be based on either a series of outstanding performances or a major performance that has had a positive impact on the work unit. A merit increase and a bonus should not be based on the same event. However, an employee may be awarded a merit increase and a bonus for different reasons. The last performance evaluation must have been within the most recent 12 month period and a rating of at least APS in order to be eligible.

- Recruitment/Retention Bonus

- Recruitment/retention awards are lump sum bonuses paid in order to recruit and retain qualified employees, particularly in positions designated as critical or difficult to fill.

- Employees who receive recruitment/retention bonuses are expected to maintain employment with the agency for a specified period of time.
    - Such compensation is paid in the form of a one-time lump sum bonus after at least six (6) months of satisfactory performance.

- Employees who voluntarily separate employment with the agency prematurely are required to repay all or part of the bonus.

- An appointing authority may award recruitment/retention bonuses within the following parameters:
    - A recruitment/retention bonus cannot be given in lieu of a performance bonus. Using a recruitment/retention bonus to circumvent the $2000 or 20% performance bonus maximum is prohibited.
    - For recruitment bonuses, the employee must be a new appointment to the State. Transfers, demotions, promotions, reinstatements and rehires are ineligible, unless otherwise approved by the administrator.
    - Recruitment bonuses are limited to one (1) per employee.
    - Retention bonuses are limited to one (1) per employee per fiscal year.
    - Prior to granting the bonus, the agency must submit written documentation justifying the recruitment/retention award and the proposed memorandum of agreement to DHR and DFM for review and approval.
    - Details of the recruitment bonus must be negotiated with and agreed upon with the job applicant prior to that individual beginning work.
    - The applicant/employee must sign a recruitment/retention bonus memorandum of agreement.
    - The recruitment/retention bonus agreement must include the following:
        i. A provision that a recruitment bonus will be paid to the employee after at least six (6) months of successful, continued employment.
        ii. The details outlining the amount of the recruitment/retention bonus and agreed-upon length of time that the employee will continue employment.
        iii. Verbiage outlining how the bonus will by repaid and collected should the employee voluntarily or involuntarily terminates employment before term of the agreement. The bonus may be pro-rated over the period.
        iv. Information indicating the agency or DHR is authorized by law to seek legal remedies to recoup all or part of the recruitment/retention bonus in the event an employee resigns before the term of the agreement. Remedies include but are not limited to deducting the bonus amount from an employee's accrued vacation funds.
        v. The documentation and memorandum of agreement must be maintained in the employee's personnel file at the agency.
    - The maximum amount of any recruitment/retention bonus is $5,000.

REFERENCES

Department of Financial Management
Rules of the Division of Human Resources and Idaho Personnel Commission, IDAPA 15.04.01. at chapter 53, title 67, of the Idaho Code (the Act)