



## NON-UNION PAY PLAN FAQs

### Why has the City decided to make changes to the Non-Union, Classified Pay Plan?

The City has been loosely following an outdated pay plan for years; this pay plan may have originally tied positions to market, but those market rates were not maintained, and as a result pay inequities were unintentionally created. The City recognized the need for a modernized pay practice to ensure equity, while also striving to successfully recruit and retain top talent.

In late 2019, the City began working with Communication Management Services, LLC (CMS) to conduct a salary survey; this led to the development of a compensation philosophy, a revised classification model, under which all non-union positions were classified, and the creation of a new Pay Plan Policy. The Pay Plan Policy supports the [City's Compensation Philosophy](#), aligning pay with market, and helping establish and maintain pay equity across all non-union, classified positions.

### What is the difference between classification and pay?

Classification is a process used to allocate position assigned duties and responsibilities to a job standard, such as: pay band or grade. Classification never takes the employee's competency or performance into consideration, but instead only looks at the duties, responsibilities, and qualifications required for success within the position.

Pay is based on classification, but considers other factors, such as: market, and longevity of the employee in the position.

### How is classification performed at the City?

The City uses a job content and market evaluation method, a blended job factor and market based model for classification. Using job content as the primary factor for evaluation helps ensure equal pay for comparable worth and maintains cross occupational consistency for pay administration. Classification is never about the employee, but only about the position itself.

Job content is evaluated based on the following factors: effort, accountability, and knowledge; the classifier determines a total score from all factors, which places the position into a prescribed pay band. Market evaluation further defines the grade in which a position will be placed. For example, a position may fall into pay band D and the market aligns it with grade 15. The new pay grade is D15.

It is important to note, while the current and new classification systems both use numerical grading systems, they are not comparable. Please **do not** compare current grades to new grades. A position currently placed at grade 12 may be placed at C 10 under the new system; this is **not** a "downgrade", the new wage range is very different from the current range.

### Can a classification change?

Positions may change over time, and these changes may warrant a classification review. Managers can request a classification review when significant changes are made to the duties and responsibilities of a position. However, not all changes to a Job Description will warrant a classification review, nor will changes necessarily cause a position to classify higher or lower.

### What is Target Market Ratio (TMR)?

TMR reflects the percentage of market rate. Employees progress through steps (earning longevity) towards and/or above the approximate market rate for their assigned grade. TMR is set based on years of service; employees with longer years of service will be at a higher TMR than those newly hired.



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### What is market rate?

Market rate is calculated by reviewing numerous data points for specific position matches to determine an average wage; this data is pulled from various entities, including Missoula, other Montana cities, and neighboring states.

When data is pulled from areas other than Missoula it is adjusted up or down to align with the Missoula cost of living. If data is pulled from earlier years, it is adjusted by the cost-of-living index to “age” it appropriately.

Market is a moving target and the reason the City will try to adjust market by a Cost-of-Living Allowance (COLA) each year, as an attempt to keep up with the market. There will always be similar jobs above or below market. The City’s Compensation Philosophy aims to ensure our compensation structure is sustainable, with an attempt to be competitive, but we may not be trend setters for all professions.

### Is longevity pay in addition to TMR?

Longevity pay will no longer be a separate element of the Pay Plan (except for Police and Fire, per MCA). All current longevity rates will be combined into employees’ current base rate and future longevity will be earned via step increases each year until an employee hits 106% of market. At 106% of market, most employee wages will freeze, but would continue to receive annual COLA each year, per Council approval.

### How does this pay plan affect positions in formal career ladders?

Career ladder positions have been classified and placed into the new pay plan model. Employees in these positions will receive wage increases following the rules outlined in the policy.

### Will I be paid for performance?

No. Our pay plan is not a pay-for-performance model of pay. Pay is based on longevity, experience, and market wages.

### What is COLA and how much will it be this year?

COLA is a cost-of-living allowance to account for inflation. As many employees may know, inflation is currently very high, and the City cannot afford to offer a COLA of 8% or higher to all employees. We recognize lower paid employees may be negatively impacted by high inflation costs and would not benefit as greatly from an across-the-board percentage increase. For this reason, we are electing to provide a progressive, equity-based COLA increase this year to assist in recognizing high inflation.

For FY23, COLA will be a flat dollar amount; this is not the model we anticipate using in the future.

Grades B7 to C12: \$1.25/hour

Grades C13 and higher: \$1.00/hour

### How will employees know the amount of COLA and/or TMR they will receive?

Employees will receive a memo clearly stating their new grade, wage effective to 7/1 and if a TMR increase is applicable, the new wage effective 1/1/2023. Memos will be delivered in the first week of September.



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### **What does this mean for my own salary?**

All wage increases are dependent upon the City Council approving the FY23 budget. All employees regardless of their TMR will receive a COLA retroactive to 7/1/2022.

New wages with COLA will appear, for hours worked, on the 9/16/2022 paycheck; retro pay will appear on the 9/30/2022 paycheck.

After COLA is applied, employee wages will be compared to the new entry rate of the position grade; if an employee is not yet at entry, they will receive this wage effective 7/1/2022.

After COLA and entry is applied, employee wages will be compared to their TMR; some employees will be at or above TMR and will **not** receive any additional wage increases this year, while other employees will fall below TMR and receive a wage increase to align with their appropriate TMR.

Any additional wage increases due to TMR will be effective 1/1/2023. The delayed start date for implementation is allowing the City to afford full implementation.

### **Why doesn't my wage align with an exact step in the Matrix?**

During initial implementation employee wages may not align directly with a step in the matrix. However, employees at or below 106% of midpoint will eventually align with the matrix.

### **Will employees receive pay decreases?**

Employees will **not** receive pay decreases. Any employee at or above max of the pay range will continue to receive COLA each July, pending Councils approval.

### **When will annual pay increases occur?**

Pay increases will occur each July, assuming Council approves COLA and/or matrix step increases. The City does **not** allow for anniversary or probationary completion increases.

### **Why doesn't this apply to Union Employees?**

Unions negotiate the terms of their Collective Bargaining Agreements (CBA); these agreements are legal and bound to a set term. The current Union contracts at the City expire 6/30/2023.

Union members will continue to receive their negotiated wages and benefits per their individual CBAs.

### **Why doesn't this apply to intermittent employees in non-classified positions?**

Intermittent employees (primarily in the Parks and Recreation Department) are not classified by Human Resources; they have their own pay plan which provides wage increases at the beginning of each calendar year. These employees will not be subject to the Pay Plan Policy, at this time.