SECTION 5.35 SPECIAL PAY
Last Update: 4/15

Pay options are available for agencies to compensate employees for special work situations.

Blanket Advanced Appointment Rate [11 IAC 53.5(2)]

Blanket advanced appointment rates may be considered on a case-by-case basis in situations where there is a documented scarcity of applicants that make employment at the minimum pay rate for a job class unlikely. If approved, all current employees and new or promoted employees under the same conditions and in the same job class shall be paid the higher rate. If a situation exists as described above, the agency should consult with the assigned DAS Personnel Officer.

Higher Rank Allowance for SPOC Contract-Covered Employees

An employee covered by the SPOC bargaining agreement, who is functioning as an acting supervisor, shall be granted an additional ten percent (10%) hourly increase for all hours spent as acting supervisor.

Conservation Officers assigned lead worker responsibilities will receive an additional five percent (5%) of their base rate of pay.

Requests for higher rank allowance will only be approved for a period of up to one year. Additional requests for extensions may be submitted.

Requests for higher rank allowance pay will only be approved for a period of up to one year. Additional requests for extensions may be submitted.

Incentive Pay for UE/IUP Contract-Covered Employees

Management, at its sole discretion, may grant an incentive increase to UE/IUP bargaining unit employees.

- The incentive cannot exceed three percent (3%) of the employee's annual salary.
- It shall be paid in one lump sum following the employee's performance evaluation.
- The lump sum will not be added to the base pay or carried over into subsequent evaluation periods.
- A Special Pay/Appointment Action form (CFN 552-0125) with a written explanation providing the reason for the request must be submitted to the assigned DAS Personnel Officer for review and approval.

Increased Credentials [11 IAC 53.9(6)]

Employees in non-contract job classifications are eligible to receive pay for increased credentials. The employee must successfully complete a course of study, a certificate program, or any educational program directly related to the employee's current employment, subject to the following conditions:

- A Special Pay/Appointment Action form (CFN 552-0125) with a written explanation providing the reason for the request must be submitted to the assigned DAS Personnel Officer for review and approval.
- Increases must be a percentage of the employee's base pay.
- The employee's total pay may not exceed the maximum pay rate for his or her job class.
- Pay for increased credentials is granted at the discretion of the appointing authority and will not affect an employee's pay increase eligibility date.

Individual Advanced Appointment Rate [11 IAC 53.5(1)]

The advanced appointment rate must be approved by DAS-HRE in advance of the offer of employment to the employee.

New hires are usually paid at the minimum pay rate for the job class to which hired. For new hires or reinstatements of contract-covered and non-contract-covered employees, or promotions of employees to contract-covered classes, an agency may request an advanced appointment rate for an applicant who possesses qualifications in excess of the minimum required for the job class. Non-contract-covered employees may be placed at any rate of pay between the minimum and maximum of the non-contract class to which promoted.

When considering whether an advanced appointment rate is appropriate, the hiring agency should discuss the proposed rate of pay with the assigned DAS Personnel Officer *prior* to making an offer, keeping in mind the following:

- Advanced appointment rates should be the exception and not the rule. All new hires and reinstatements should be offered the starting salary for the position unless there are extenuating circumstances. This could include a lack of qualified applicants, unique skills necessary to perform the work, or similar business case criteria.

- All new hires and reinstated employees that start at a rate of pay above the minimum of the job class to which appointed require a Special Pay/Appointment Action form (CFN 552-0125).
- Promotions of employees to contract-covered job classes require a Special Pay/Appointment Action form (CFN 552-0125) if the hiring agency desires to offer a pay rate in excess of the 5% promotional pay.
- A Special Pay/Appointment Action form is not required for promotions to non-contract job classes.
- Advanced appointment rates are based on education and/or experience that is directly related to the duties required of the position when compared to the minimum qualifications.

Criteria for Consideration

When considering an appropriate rate of pay for an advanced appointment, agencies should use the following guideline: Five percent (5%) may be granted for every year of additional qualifying experience or education beyond the minimum qualifications.

- A year of education is determined by the equivalency rate provided in the minimum qualifications for the job class in question. If an equivalency rate is not provided, 30 semester hours of education is equal to one year of experience. For example, the Public Service Executive 1 job classification has a substitution clause of 24 semester hours of graduate level course work in a special program curriculum such as Social Work, Law, Education, Engineering, or Public or Business Administration for each year of the required experience to a maximum substitution of two years. The equivalency rate for each year of experience for this particular job class is 24 semester hours, not 30 semester hours.

- The same provisions apply to promotions to contract-covered job classes, except the base rate from which the advanced appointment is calculated is the employee's current bi-weekly pay. The rate of pay cannot exceed the maximum pay rate of the job class.
- These guidelines apply to non-merit positions for which an indigenous job class is used. The minimum qualifications for these classes shall be applied the same way as indicated above to determine an advanced appointment rate.

For non-merit positions classified in a general job class, the minimum qualifications on the DAS-HRE job description or documented agency/position specific minimum qualifications may be used to determine the appropriate pay rate, applying the criteria for determining the rate outlined above. Non-merit positions are covered by the administrative rules for pay, benefits, leave, and classification. Agencies must document

justification for an advanced appointment rate on the Special Pay/Appointment Action form (CFN 552-0125).

Certain individuals may possess exceptional qualifications that are directly related to the work performed by the position, but less than the amount needed to justify an advanced appointment. On the Special Pay/Appointment Action form (CFN 552-0125), justification for such advanced appointments must include an explanation of why the background is exceptional and how it relates to the required duties of the position.

Departments that hire/reinstate individuals at an advanced appointment rate should consider the following:

- The new hire/reinstatement will have a shorter pay range for advancement.
- Employees possessing equivalent qualifications in the same class and with the same appointing authority may be adjusted to the advanced rate [11 IAC 53.5(1)].

Lead Worker Pay [11 IAC 50.1 and 11 IAC 53.8(1)]

A non-supervisory employee may be eligible for lead worker pay when assigned limited responsibility over others. Lead worker pay may be up to an additional fifteen percent (15%) of the employee's base pay (3% to 10% for positions in the IUP Science Unit). Lead worker pay for contract-covered employees shall be in accordance with the terms of the applicable collective bargaining agreement. Lead worker pay may exceed the maximum pay rate for the job class. Lead worker pay can be requested for up to one year. Extensions of lead worker pay may be requested if the position continues to perform lead work duties. Lead worker pay may be removed from a position prior to the expiration date if the lead work duties are removed from the position.

Lead worker duties include the following:

- Maintaining attendance records.
- Distributing work assignments and balancing the workload.
- Reviewing work for accuracy according to established criteria.
- Answering technical questions or serving as a technical expert in the work unit.
- Orienting, training, and instructing employees in the work unit.
- Providing input on hiring or discipline decisions.
- Providing input on performance evaluations.
- Making emergency decisions when the supervisor is not present.
- Reporting employee infractions to the supervisor.

Lead worker pay may be appropriate when:

- The supervisor often works away from the work unit.
- Employees work in different physical locations from the supervisor.
- The unit needs a technical lead person.

Lead worker pay is not appropriate when:

- The lead worker concept is built into the job class or class series concept.
- The job class concept is a program manager or project leader.

On receipt of a within-grade or across-the-board pay increase, lead worker pay must be recalculated using the employee's new base pay.

Red-Circling [11 IAC 53.6(3)]

If the pay of an employee in a non-contract class exceeds the maximum pay rate of the class to which assigned, the employee's pay may be maintained (red-circled) above the maximum for up to one year, subject to the following conditions:

- A request to change the time period or the red-circled rate must first be submitted to and approved by the director of DAS.
- If a change request is approved, the agency must notify the employee in writing of any changes in the time period and the pay.
- If an employee's classification changes or if the employee transfers to a different agency, a request to rescind the red-circling rate may be submitted by the appointing authority to the director of DAS for approval.

Red-circling of pay is not applicable to employees covered by the AFSCME or UE/IUP collective bargaining agreements. The SPOC collective bargaining agreement provides for red-circling when an employee transfers to a different job class and the employee's salary exceeds the maximum of the pay grade for the assigned job class. In this circumstance, the salary of the employee will be red-circled for a period not to exceed two (2) years. When the red-circle pay ends, the employee's salary will be set at the top of the range to which the employee's job class is assigned.

Special Pay Types Requiring DOM and DAS Approval:

The following types of special pay are being used on a limited basis. Requests to grant these types of special pay must be submitted to the Department of Management (DOM) for approval. If approved, departments must submit a copy of the DOM approval and the Special Pay/Appointment Action form (CFN 552-0125) to the DAS Personnel Officer.

- **Change of Duty Station** [11 IAC 53.6(13)]

  If an employee is promoted, reassigned, or voluntarily demoted at the convenience of the appointing authority and a change in duty station beyond 25 miles is required, the employee may receive a one-time pay increase of up to an additional five percent (5%). The resulting pay may exceed the maximum pay for the class to which assigned. Subsequent changes in duty station may result in the additional pay being removed.

- **Discretionary Payments** [11 IAC 53.9(4)]

  A one-time, lump sum payment for exceptional job performance may be given to an employee.

- **Extraordinary Duty** [11 IAC 53.8(3) and 11 IAC 59.3(2)]

  An employee who is temporarily assigned higher-level duties, including supervisory duties, may be given additional pay in percentage increments. Requests for extraordinary duty pay will only be approved for a period of up to one year. Additional requests for extensions may be submitted.

- **Recruitment/Retention Payments** [11 IAC 53.9(5)]

  A payment to a new hire or a current employee may be made for recruitment or retention reasons. As a condition of receiving recruitment or retention pay, the recipient must sign an agreement to continue employment with the appointing authority for a period of time following receipt of the payment that is deemed by the appointing authority to be commensurate with the amount of the payment. If the recipient is terminated for cause or voluntarily leaves state employment, the recipient will be required to repay the appointing authority for the proportionate amount of the payment for the time remaining, and it will be recouped from the final paycheck. When the recipient changes employment to another state agency,

then a repayment schedule must be approved. Recoupment will be coordinated with DAS-SAE to ensure a proper reporting of taxes.

- **Special Duty** [11 IAC 53.8(2)]

  An employee who is temporarily assigned to a vacant position in a job class with a higher pay grade may be given additional pay equivalent to the amount provided for by applicable pay rules for promotion to the job class. Requests for special duty pay will only be approved for a period of up to one year. Additional requests for extensions may be submitted.

Document Processing

Special pay must be approved by DAS-HRE (and DOM, if applicable) prior to making an offer to an employee or applicant.

A Special Pay/Appointment Action form (CFN 552-0125) must be completed in order for an employee to receive any of the special pays identified in this section. The following information is necessary for document processing:

- Type of action requested and whether it is an original or an extension of an earlier request.
- Employee's name, department, current 18-digit payroll/position number, class code, and class title.
- Amount of the additional pay; this must be divisible by 80 (percentage and calculated dollar amount).
- Effective date, requested number of pay periods, and expiration date. The expiration date cannot exceed one year beyond the effective date of the action.
- Written justification describing the reasons for the extra pay. For the advanced appointment rate, the written justification must describe the reason(s) for the request with the specific education and/or experience that exceeds the minimum qualifications.

Submit the Special Pay/Appointment Action form (CFN 552-0125) to the assigned DAS Personnel Officer for review. The Personnel Officer will review the form and will notify the agency if there are questions and whether the request is approved.

A copy of the approved Special Pay/Appointment Action form should be maintained in the employee's personnel file.