

CHAPTER 4-07-02
SALARY ADMINISTRATION PROCEDURES

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4-07-02-01. Definitions.

The terms used throughout this title have the same meaning as in North Dakota Century Code chapter 54-44.3, and sections 54-06-30 and 54-06-31, except:

1. "Appointing authority" has the same meaning as provided in North Dakota Century Code section 54-44.3-02.
2. "Class" or "classification" means a group of positions, regardless of location, which are enough alike in duties and responsibilities to be called by the same descriptive title, to be given the same pay range under similar conditions, and to require substantially the same qualifications.
3. "Classification plan" means the listing of all the classes that have been established, the description for those classes, and the process and procedures developed to maintain the plan.
4. "Equity increase" means a salary increase provided to a classified employee to mitigate either a serious internal agency inequity or a documented external market condition.
5. "General salary increase" means a salary increase provided to classified employees by specific legislative appropriation.
6. "Hiring rate" means the salary level assigned to an employee upon initial employment with an agency.
7. "Job evaluation committee" is the committee responsible to evaluate, maintain, and ensure the consistency of job evaluations of the North Dakota classification system. The job evaluation committee shall be made up of professional human resource staff from human resource management services and state agencies designated by the director of human resource management services.

8. "Pay grade" means the number assigned to a classification which corresponds with one specific range of pay rates.
9. "Performance increase" means a salary increase provided to a classified employee in recognition of documented performance which is consistently superior or which consistently exceeds performance standards.
10. "Probationary increase" means a salary increase provided to a classified employee upon the successful completion of their applicable probationary period.
11. "Promotional increase" means a salary increase provided to a classified employee when the employee is assigned to a position in a different class which has a higher pay grade than the employee's previous position, and the assignment is not a result of a reclassification of the employee's position.
12. "Reclassification adjustment" means a salary change applied to a classified employee when the employee's position is reallocated to a different classification that has a different pay grade.
13. "Responsibility level or workload increase" means a salary increase provided to a classified employee when either of the following conditions are met:
 - a. The level of duties and responsibilities assigned to the employee is permanently changed, is documented, and is independent of any change in classification.
 - b. A substantial, documented, increase in workload is assigned to a position.
14. "Salary range" means the range of pay rates, from minimum to maximum that are assigned to a pay grade, and which are often divided into quartiles for reference.
15. "Temporary increase" means a salary increase provided to a classified employee when the employee is assigned temporarily to perform a higher level of responsibilities on an acting or interim basis.

History: Effective March 1, 1991; amended effective July 1, 2004; July 1, 2014.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7)

4-07-02-02. Scope of chapter.

This chapter applies to all state agencies, departments, institutions, and boards and commissions that employ individuals in positions classified by human resource management services, except those agencies headed by an elected official, and except those institutions in the university system. Elected officials and institutions in the university system may, at their option, agree to the application of chapter 4-07-02 to their specific agency. Sections 4-07-02-05, 4-07-02-06, 4-07-02-12, and 4-07-02-17 apply to local government agencies that employ individuals in positions classified by human resource management services.

History: Effective March 1, 1991; amended effective November 1, 1996; July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7)

4-07-02-03. Purpose of chapter.

The purpose of this chapter is to ensure that the salaries of classified employees are paid in a manner consistent with the state's classification plan, its compensation plan, and its salary administration policy.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7)

4-07-02-04. Relationship to available funds.

All salary actions under this chapter are subject to the availability of appropriated funds. No person may take a salary action under this chapter if it were to cause an agency to exceed its budget authorization.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7), 54-44.3-12.1, 54-44.3-15

4-07-02-05. Salaries must be within the assigned salary range.

Human resource management services shall assign a pay grade and a salary range to each approved class in the classification plan. Unless otherwise provided by human resource management services, the salary level of a classified employee must be within the assigned salary range.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(1), 54-44.3-12(7), 54-44.3-15

4-07-02-06. Exceptions.

Exceptions to the requirements of chapter 4-07-02 normally require prior written approval from the director of human resource management services. In emergency situations exceptions may be provided verbally. Appointing authorities shall describe their justification for the exception and the impact that denying the exception would have on the agency or the state. Written documentation in justification of the exception must be provided by the appointing authority at the earliest practical time following a verbal approval.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-12(1), 54-44.3-12(7)

4-07-02-07. General salary increase.

A general salary increase must be provided in accordance with any specific guidelines or requirements as appropriated by the legislative assembly.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-08. Hiring rate.

The hiring rate for a newly hired employee must be within the first half of the salary range. When establishing an entry salary, an appointing authority should consider the employee's job-related qualifications, the agency's ability to recruit qualified employees, the overall relationship of state employees' salaries to market salaries, and internal equity with existing employees' salaries.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-09. Documents needed for hiring rate above the first quartile.

Repealed effective July 1, 2004.

4-07-02-10. Probationary increase.

An appointing authority may grant an increase of up to five percent upon an employee's successful completion of a probationary period. The size of the increase may vary depending on factors that include performance, internal equity, and budget appropriations.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-11. Responsibility level or workload increase.

An appointing authority may grant a responsibility level or workload salary increase if all of the following requirements are met:

1. The increase does not exceed twenty percent per biennium for an employee.
2. Consideration is given to the effect granting the increase would have on internal equity.
3. The change in workload or responsibility is documented and on file within the agency.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-12. Reclassification adjustment.

An appointing authority may make an adjustment to a salary as a result of a reclassification according to the following:

1. If the pay grade is higher following a reclassification action, then an increase up to five percent above the minimum of the new salary range may be provided. The salary must be at least equivalent to the minimum of the new salary range.
2. If the pay grade is lower following a reclassification action, then either of the following apply:
 - a. The employee's salary may remain the same if it is within the lower salary range.
 - b. The employee's salary may be reduced to within the lower range to equitably relate to the salaries of other employees in the same or related classes.
3. If the employee's salary is above the maximum of the salary range for the new job grade, then either of the following apply:
 - a. The salary of the employee may remain above the new maximum when the reclassification is a result of a program change, a reorganization, or is a result of a management need not associated with the employee's performance. The salary may remain above the maximum as long as the employee remains in the classification. No further increases in salary may be granted the employee as long as the salary remains above the maximum, except those legislatively authorized.
 - b. The salary must be reduced at least to the maximum of the new range if the lower classification results from the removal of duties and responsibilities from the employee as a result of substandard performance or for disciplinary reasons.

4. If the pay grade is not changed, no salary adjustment shall be made.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-07, 54-44.3-12(7)

4-07-02-13. Promotional increase.

An appointing authority may grant a salary increase when an employee is promoted, if all of the following requirements are met:

1. The employee must be paid at least the minimum of the new salary range.
2. Consideration must be given to the internal salary relationships that would exist in the agency if the increase were to be given.
3. The magnitude of the change in jobs is considered.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-14. Performance increase.

An appointing authority may grant an increase for performance if all of the following requirements are met:

1. A proper performance appraisal process is used by the agency pursuant to chapter 4-07-10.
2. The increase does not exceed five percent in any twelve-month period for an employee.
3. Consideration is given to internal salary equity of other agency employees.

History: Effective March 1, 1991; amended effective November 1, 1996.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-15. Equity increase.

An appointing authority may grant an equity increase if all of the following requirements are met:

1. The increase does not exceed twenty percent per biennium for an employee.
2. At the time the increase is granted, documentation must be submitted to human resource management services that includes all of the following:
 - a. A definition of the inequity.
 - b. An explanation of what created the inequity.
 - c. A statement that an additional inequity will not result.
 - d. The relevant available market data in cases of external equity.
3. The agency must consider the overall relationship of state employees' salaries to market salaries and avoid creating internal inequities.

History: Effective March 1, 1991; amended effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-16. Temporary increase.

An appointing authority may grant a temporary increase if all of the following requirements are met:

1. An increase may not be given for a temporary situation of less than thirty days.
2. An employee may not continue to receive a temporary increase for more than thirty days after the special circumstances ceased to exist.
3. Consideration is given to the magnitude of the change in responsibility level.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-17. Adjustment following assignment to a lower pay grade.

When an employee is assigned to a position at a lower pay grade, and the employee's salary is above the maximum of the new grade, then either of the following may result:

1. The salary may remain above the new maximum when the assignment results from a program change, reorganization, or other management need not associated with the employee's performance. No further increases may be granted as long as the salary remains above the maximum.
2. The salary may be reduced to at least the maximum of the new range if the assignment resulted from substandard performance or other disciplinary reasons.

History: Effective March 1, 1991.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-44.3-01, 54-44.3-12(7)

4-07-02-18. Bonuses.

A recruitment, retention, or performance bonus may be provided according to North Dakota Century Code chapters 54-06-30 and 54-06-31.

History: Effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-06-31, 54-44.3-12(1)

4-07-02-19. Recruitment bonus.

A recruitment bonus may be provided by an agency if the employee receiving the bonus was not employed by a state agency immediately preceding employment with the hiring agency, except when a recruitment bonus is provided to an employee for a referral program outlined in the agency's recruitment policy. If application of this rule would result in significant impact on the agency or negative fiscal consequences to the state, an exception may be sought under section 4-07-02-06.

History: Effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-06-31, 54-44.3-12(1)

4-07-02-20. Retention bonus.

A retention bonus may be given as an incentive to retain an employee in state government unless the employee is leaving to work for another state agency. If application of this rule would result in significant impact on the agency or negative fiscal consequences to the state, an exception may be sought under section 4-07-02-06.

History: Effective July 1, 2004.

General Authority: NDCC 54-44.3-12(1)

Law Implemented: NDCC 54-06-31, 54-44.3-12(1)

4-07-02-21. Performance bonus.

Human resource management services may approve performance bonuses above the twenty-five percent limitation in subsection 4 of North Dakota Century Code section 54-06-30 upon a showing of special circumstances. Agencies must request, in writing, approval from the director or designee of human resource management services by documenting the special circumstances, which may include:

1. Instances of exceptional performance by employees in the face of a major disaster;
2. Instances of exceptional performance by employees as a result of federal or state program initiatives; or
3. Instances of exceptional performance by a team of employees.

History: Effective July 1, 2010.

General Authority: NDCC 54-44.3-12

Law Implemented: NDCC 54-06-30