



# Policy 3160 Compensation Guidelines

Version **54.0**

Effective Date: **12/3/2024**

Board or Administrative: Board

## Policy Statement

It is the goal of Dakota County to provide employees equitable compensation and financial incentives, to the extent permitted by law, to promote attainment of the highest performance levels. The County also recognizes that compensation policies are a key factor in the attraction and retention of well-qualified individuals to participate in the achievement of organizational objectives. Therefore, the Dakota County Compensation Guidelines are based on the principles of equitable pay relationships and are designed to relate, to the extent possible, individuals' salary to performance, and contribution.

## Definitions

*Salary Surveys:* Surveys in which salary information is provided for comparison of specific jobs.

*Market Mean:* The average base salary of employees in a particular job title listed in survey data.

*Regional Market:* The market that expands outside of the Metro Counties.

*Local Market:* The Metro County market that ~~includes~~includes Hennepin, Ramsey, Scott, Washington, Anoka, Carver and Olmsted.

*Market Analysis:* Salary survey data that is analyzed and used to determine salary comparisons.

*Compensation Philosophy:* The strategy adopted by the County Board of Commissioners for determining compensation practices.

*Promotion:* The selection of an internal candidate through the competitive process into a position at a higher salary grade.

*Job Review:* The process used to update knowledge/skills/abilities and job duties to develop accurate job descriptions.

*Merit Matrix Guidelines:* The percentage base and/or lump-sum increases for each level of performance as provided in the County's Merit Compensation Plan.

## Source

Dakota County Personnel Act, Minn. Stat. §§ 383D.05, *et seq.*  
Dakota County Merit Compensation Plan  
Dakota County Unclassified Employees Compensation  
Plan Collective Bargaining Agreements

## General

Salaries of all County employees are administered under the terms of the Dakota County Merit Compensation Plan, unless the terms of the Unclassified Employees Compensation Plan or a collective bargaining agreement apply.

Participants in the Unclassified Employees Compensation Plan include all Dakota County incumbents in positions designated and defined as Unclassified in the Dakota County Personnel Act.

## Salary Surveys

Dakota County participates in local, regional, and national salary surveys and reviews compensation competitiveness on an annual basis. The market analysis helps determine annual recommendations to the County Board. Salary surveys are reviewed each year to determine market competitiveness. Dakota County's identified market is the Metro counties for the majority of the positions and may be expanded to a regional county market for positions that require a broader recruitment base.

## Salary Alignment

Assignment of job classifications within salary grades reflects the salary survey information from the relevant labor markets and established job review evaluation processes. Market analysis is the primary resource for developing the pay structure. The job evaluation system is used as a secondary tool to validate salary grade assignment and to comply with Pay Equity reporting requirements.

The County gives primary consideration to local or regional market analysis in establishing the County's salary structure. Internal compensation relationships (pay equity) are analyzed within the job review process. The County's salary structure consists of eighteen (18) salary grades for which the minimum, midpoint, and range maximum rates of pay are annually established. Assignment of job classes to the proper salary range considers job relationships established by the job review system and salary survey information from relevant labor markets.

## Salary Offers to New Employees

~~Salary offers to new hires are based on internal equity considerations, qualifications, experience, and other relevant factors as permitted by law at the sole discretion of the employer. New employees are normally paid a starting salary within the first quarter of the established salary range. Consideration may be given for experience beyond the minimum requirements when determining a starting salary. The maximum of the salary range may not be exceeded.~~ Before a salary offer is made to an applicant,

it must be approved by the Division/Department Director and the Human Resources Department. Any exceptions to this policy must be approved by the County Manager.

## Initial Probationary Period Compensation

During an employee's initial twelve-month probationary period, a pay increase equivalent to fifty (50) percent of the available meet standards increase is provided upon successful completion of the first six-months of the initial probationary period. At the completion of the 12-month initial probationary period the first annual review is conducted, 50 percent of the available increase, based on current performance level and merit matrix guidelines, is available. (Ref. Policy 3060)

## Promotion or Transfer Probationary Period Compensation

Upon promotion or transfer within the County, Employees are not eligible to receive salary increases within the first six months of continuous work, except for general salary adjustments which may be granted by the Dakota County Board of Commissioners. Upon satisfactory completion of the six-month probationary period, employees are eligible for performance increases as follows:

Six-month salary reviews are based on the plan year merit guidelines within which the review date falls. Applying matrix guidelines for base increases and lump-sum actions, 50 percent of the available increase is provided upon successful completion of the initial probationary period. At the first annual review, 50 percent of the available increase, based on current performance level and matrix guidelines, is available. (Ref. Policy 3060)

## Promotion

At the time of a promotion decision, the employee is reviewed for time worked in the current position since the most recent performance review. The employee is then eligible for a salary increase, prorated based on the number of weeks since the last review. This has the effect of "closing out" the old position by reviewing the employee for all work done and also rewarding the employee monetarily for performance in that position since the last review.

~~Upon promotion, employees are eligible for an increase as outlined in the most recent Merit Compensation Plan (after the "close-out" actions have taken place) or placement at the new salary range minimum, whichever is greater. Resulting i~~Internal equity and the employee's appropriate placement within the salary range should be considered when implementing a promotional salary action.

All promotional increases require the approval of the Human Resources Department.

## Demotion

### *Involuntary*

When progressive corrective intervention does not result in sustained performance improvement, the County may choose to demote an employee in lieu of discharge. Demotions may occur in instances when a position

in a [lower-level](#) classification for which the employee is qualified, is available. The ability to demote an employee is determined by the Human Resources Director in consultation with the Division/Department Director. The employee's salary will be adjusted on a [case-by-case](#) basis as approved by the Human Resources Director.

#### *Voluntary*

A voluntary demotion is defined as the selection of an internal candidate through the competitive process into a position at a lower salary range or classification. The employee's salary review date will be adjusted to the effective date of the action. The employee's salary reduction will be calculated to the same range position on the lower salary range as it was on the higher salary range. Adjustments will be based on internal equity considerations and approved by the Human Resources Director.

#### *Reorganization*

If a demotion is the result of a reorganization of unforeseen organization or structure changes and if the affected employee's salary is above the new salary range maximum, the salary is frozen until such time as the salary is within the new salary range.

### **Performance Increases**

Pay increases are granted to employees based on performance rating and salary range assigned to their position. Performance increases are available in accordance with the annual Dakota County Merit Compensation Plan. (Ref. Policy 3140 Performance Management), or applicable collective bargaining agreement.

### **Compensation Errors**

If errors occur in the calculation of an employee's compensation, the County retroactively corrects any overpayment or underpayment for a period of two years preceding the date the error is discovered. Employees are required to notify the Human Resources Department of any errors.

### **Position Reclassification**

The County ensures that appropriate relationships between classifications and jobs are established and maintained over time. These relationships are maintained consistently with requirements of the Minnesota Local Government Pay Equity Act.

Positions may be reclassified due to a gradual or significant change in duties and responsibilities over time. Positions may be reclassified either upward (higher salary range) or downward (lower salary range). In an upward reclassification the employee may be eligible for an increase as described in the most recent Dakota County Merit Compensation Plan. If reclassification downward results in an employee's salary exceeding the maximum of the new salary range, the rate of pay may not be increased for any reason, including performance reviews or general adjustments, until such time that the salary is within the established range.

## Working Out-Of-Grade Class

Out-of-grade pay may be requested whenever an employee is designated by the supervisor to perform all of the duties and responsibilities of a position in a higher salary grade for a period of ten consecutive days or more. An employee must meet the minimum qualifications of the higher classification to be approved by Human Resources for an out-of-grade salary adjustment. In such a case, the employee is eligible for an increase as described in the most recent Dakota County Merit Compensation Plan. Generally, working out-of-grade is the result of a temporarily vacant position.

## Salary Review Date

Each employee's salary review date is based on a common review date within their department. These dates vary across the County and may be adjusted from time to time. Employees' salary review dates are adjusted following an approved ~~unpaid~~ leave of absence of 90 days or more. All pay increases are effective the first day of the pay period in which the review date falls. This effective date does not affect the employee's salary review date or future salary review dates.

## Administration

Each employee will be paid at a rate which equals the portion of the employees' salary which is permitted by law. Each employee, whose salary exceeds the annual rate permitted by law, is entitled to receive flex hours in lieu of that portion of the salary which is not permitted by law. The amount of flex hours will be calculated utilizing the employee's actual annual rate established pursuant to the applicable compensation policy and plan. No employee is eligible to receive flex hours in lieu of compensation to offset the conversion of flex leave to deferred compensation or to medical premium costs.

Any employee eligible to receive flex leave hours pursuant to this policy will be credited with a lump sum of flex hours at the end of the payroll year. If the employee separates from County employment, following the receipt of the flex leave credit, but prior to the end of the employee's annual review period, the ~~employees~~ employees' severance or separation pay will be reduced by the amount of the flex leave credited but not earned during the annual review period. Upon separation from County employment prior to receiving a flex leave credit, the employee shall receive a lump sum of flex leave hours on a prorated basis in lieu of salary earned but not paid.

An elected official, whose salary exceeds the annual rate permitted by law, is entitled to receive a credit to their benefits parity account in lieu of annual base compensation which is not permitted by law. The credit amount will be determined based on the ~~officials~~ official's annual salary established pursuant to the applicable compensation policy and plan and county board resolution. The elected official will receive a lump sum credit at the end of the payroll year. If the elected official's term is voluntarily or involuntarily terminated prior to the end of the payroll year, the elected official shall receive credit to the benefits parity account on a prorated basis.

## Retroactivity

Employees terminating employment prior to the County Board adoption of an adjustment to the terms and conditions of their employment (under union contract, County Board action or department head action) are not entitled to any retroactive application of that adjustment.

## Supersedure

The provisions of the Dakota County Merit Compensation Plan supersede any applicable Dakota County Human Resources Policies or Procedures.

## Procedures

Procedures will be maintained by Human Resources. [Procedures and forms can be found on the Policy Procedures page on DC Works.](#)

## History

Version	Revision Date
1.0	Original publication date unknown
2.0	10/20/2015
3.0	01/17/2019
4.0	12/3/2024
<u>5.0</u>	

## Related Policies

## Contact

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# Approval

Resolution No.