



AUHR 8.04 COMPENSATION

Compensation Policy

The City Auditor shall establish the compensation of non-represented employees in the Auditor's Office, subject to funding by City Council.

The Auditor shall establish compensation rates for Auditor's Office non-represented classifications that take into account internal equity, labor market considerations, complexity or difficulty of the work, total compensation and the City's economic condition and that are commensurate with compensation for equivalent classifications in the City of Portland's classification system. It is the goal of the City Auditor to attract and retain qualified employees and encourage high levels of performance. Additionally, the Auditor's Office will use a valid and consistent methodology for evaluating jobs. It is the Auditor's Office policy that:

- direct and indirect compensation (wages, premiums, health benefits, holidays, vacation and other leaves, pensions, etc.) are all to be considered in determining appropriate levels of compensation for employees;
- wage and benefits packages are considered "externally competitive" if they approximate the average of the direct and indirect compensation offered for similar work in applicable labor markets as determined by the City Auditor;
- other factors such as compression between classes, recruitment and retention of qualified employees, the City's economic condition, and incentives linked to performance may also be considered in establishing wages and benefits;
- annual adjustments to the compensation rates may be made based on a formula that considers the consumer price index. Other adjustments may also result from a classification study or compensation review.

The Auditor's Office recognizes the legitimate role of collective bargaining in determining compensation for represented employees. Compensation of represented employees is subject to the terms of their collective bargaining agreements and HRAR 8.04.

Compensation Plan

During the regular budgetary process, pay grades and compensation ranges for all classifications shall be set for the upcoming fiscal year and shall be published in the Auditor's Office Compensation Plan.

The Auditor's Office Compensation Plan shall be revised in conjunction with the annual budgetary process and/or as a result of a classification/compensation study. The City Auditor shall recommend appropriate pay ranges for each classification in accordance with the compensation policy.

Presentation to Council of new classifications and ranges shall be done in conjunction with the annual budgetary process or as the result of a classification/compensation study, except where the City Auditor determines that:

1. a substantial change in the duties and responsibilities of the classification necessitates a salary adjustment; or
2. an inordinate amount of turnover within the classification is attributed to an inadequate salary level, thereby necessitating an immediate salary review; or
3. difficulty in recruitment of qualified candidates for a classification is attributed to an inadequate salary level, thereby necessitating an immediate salary adjustment; or
4. a new classification is needed at a time outside of the annual budgetary process.

See City Auditor's Compensation Plan

Double Pay Prohibited

The salaries provided for under this rule and in the various collective bargaining agreements are intended to be full compensation for services rendered to the Auditor's Office. An employee shall return to the Auditor's Office any compensation received for wages or benefits that were already paid for by the City. See City Charter, Section 2-608.

Direct Deposit and Itemized Wage Statements

As part of the goal to reduce paper and create sustainable policies, and unless otherwise prohibited by a collective bargaining agreement, all newly hired employees will receive their compensation through direct deposit to their designated financial institution and their itemized wage statements (remittance statements) will be available electronically through PortlandOregon.gov. Employees may request to receive paper checks in lieu of direct deposit or receive paper remittance statements.

Salary Ranges

1. Non-Represented Classifications

Each non-represented classification is assigned an open pay range with a minimum, midpoint and maximum salary rated. Non-represented employees may be paid at any rate within the assigned range and in accordance with this rule.

2. All Employees

An employee's rate of pay shall not be less than the entry pay rate or more than the top pay rate for the classification except as noted below.

The City Auditor may approve retaining an employees' salary at their current rate even if they are higher than the top rate for their classification if the employees would otherwise suffer a reduction in pay under the following circumstances:

- The reduction in pay is due to a settlement agreement; or
- The reduction in pay is a result of a reclassification that occurs as part of the implementation of a classification/compensation study; or
- The reduction is part of the implementation of the Employee Transition Services Program; or
- The reduction in pay is a result of a position being reclassified downward, but the reclass is not part of a classification/compensation study. For this exception to apply, the reduction in pay must be at least 25% and the position at issue is determined critical by the City Auditor and in the best interest of the Auditor's Office.

Employees in these circumstances are not eligible for pay increases, including cost of living increases, until their pay rate is within the pay grade of their assigned classification.

Progression Through a Pay Range

Non-Represented Regular, Limited Term and Job-Share employees shall progress through their assigned salary range based on the City Auditor's Performance Management System and in accordance with the Compensation Policy. See **Administrative Rule on Performance Management.**

Compensation for Division Managers

The Auditor may adjust the salary of any division director at any time provided the pay adjustment is within the pay range, is upward only, and is in recognition of exemplary performance as documented in a performance review.

Assignment of a Claim for Salary or Wages Prohibited

It is unlawful for any person or employee rendering services to the City and having a salary or wage claim against the City to make an assignment of the claim for salary or wages, whether earned or unearned, except as provided in Section 5.12.030 of the City Code.

Initial Appointment to Non-Represented Classification

The initial appointment for a represented classification shall be the minimum rate for the salary range. The requirements for appointment above the minimum rate are contained in the applicable collective bargaining contract and/or in the **Compensation Plan**.

Initial Appointments to Represented Classifications

The initial appointment for a represented classification shall be the minimum rate for the salary range. The requirements for appointment above the minimum rate are contained in the applicable collective bargaining contract and/or in the **Compensation Plan**.

Appointment of Temporary Employees

Initial appointment for full-time and part-time non-represented temporary employees shall be set in the same manner as regular non-represented employees. Temporary employees in represented classifications are appointed and progress through the pay range in accordance with the applicable collective bargaining agreement.

Casual Employees

The City Auditor or designee may appoint and change the pay rates of casual employees to any pay rate within the pay range designated in the compensation plan for the classification.

Transfers

When a regular non-represented employee transfers to a position in a different classification with the same pay range, the hiring manager may appoint the employee:

- a. At their current pay rate and anniversary date for future eligibility for performance increases, or
- b. As provided above under Initial Appointment for Non-Represented Classifications. The employee's anniversary date changes to reflect new appointment.

Employees who transfer to a different position in the same classification maintain their current pay rate and anniversary date.

Promotion

When a regular or limited duration non-represented employee is appointed to a classification with a higher maximum pay range, the hiring manager may appoint the employee:

- a. At the entry rate for the higher pay range, or at a pay rate in the higher pay range which gives them a 5.0 percent pay increase (not to exceed the maximum of the salary range) whichever is higher, or
- b. As provided above under initial Appointment for Non-Represented Employees.

A regular employee's salary shall not be reduced due to an appointment to a position in a classification with a higher maximum pay range.

Demotion

If a permanently appointed employee voluntarily demotes to a lower paying classification they shall retain their anniversary date and their salary shall be at the rate in the new pay range, which affords the least reduction in pay. In no event shall an employee receive an increase in pay upon demotion.

Employees demoted for disciplinary reasons shall receive the rate of pay in the lower salary range of the new class specified as part of the disciplinary action. In no case shall the employee's rate of pay be below the first step of the new classification.

Reinstatement or Reappointment from a Layoff List or Return from leave of Absence

When an employee is reinstated under the reinstatement rules, reappointed from a layoff list or returned from leave of absence, their salary rate shall be at the same position in the pay range as when the employee last served in that classification.

If a current employee is recalled from layoff and the current salary for the classification the employee is serving in exceeds their salary at the time of layoff, the rules on promotion will apply.

Reappointment after Return from Leave of Absence

See **Administrative Rule on Reinstatement**.

Anniversary Date and the Impact of Leaves and Prior Service

Except as provided below, the anniversary date of an employee is the date of initial appointment to the classification. Thereafter, an anniversary date for pay purposes shall be adjusted to exclude time spent on layoff or officially approved leaves of absence of more than 30 days in duration, unless otherwise required by federal or state law.

When an employee is regularly appointed to a classification with previous time served:

1. The anniversary date shall be adjusted to reflect credit for time in class per applicable administrative rules or contractual languages; or
2. At the discretion of the City Auditor or designee, the employee shall be granted additional compensation per initial appointment to the Non-Represented Classification rule and the anniversary shall be reset to the date of appointment.

An officially approved absence from duty without pay because of military leave, Family Medical Leave, or injury in line of duty shall not change an employee's anniversary date.

If as a result of layoff an employee bumps to a lower classification in which they previously held status, the employee's anniversary date in the lower classification will be adjusted for pay purposes to include all time served in the lower classification.

Impact of Appointments to Other Classifications

If a permanently appointed employee accepts a temporary appointment in a classification in the same pay range and is later reappointed to the former classification, the employee shall retain their current salary rate and anniversary date.

If a permanently appointed employee accepts a temporary appointment in a classification in a higher pay range and is later reappointed to the former classification the employee's anniversary date and salary rate shall be reset as if they had continued in the original classification.

Special Assignment Pay

Upon request by a division manager, special assignment pay differentials may be reviewed and approved by the City Auditor for the incumbents of positions who are assigned to supervise the work of one or more employees whose base salaries are in the same or higher salary range as the supervisor.

The amount of the pay differential may be up to ten percent (10%) above the top of the pay range for the incumbent's classification for such assignment. Such special assignment pay differential shall remain in effect for the duration of the assignment only, unless rescinded sooner by the City Auditor.

Compensation for Controlled Classes

Under exceptional circumstances, a class may be identified as a "controlled class" and pay may be established at levels necessary to accomplish compelling City purposes. Such actions shall be based on a review and approval by the City Auditor and shall be established for a specific period of time.

Exceptional circumstances may include:

1. market comparisons
2. recruitment and retention issues
3. exceptional personnel shortages that require departure from the normal salary range assignment for a classification; or
4. a temporary organizational need that cannot be accommodated within current salary schedule assignments.

The classification shall return to the original salary range assignment at the end of the time period designated for the higher pay range, unless the City Auditor approves an extension.

The employee, who is in a “controlled class”, during a period of time when a higher salary range assignment is designated, may continue to receive normal merit adjustments within the new range. Upon returning the classification to its original salary range assignment, affected employees will only continue at their current rate of pay providing that rate is not higher than the control point of the range. The City Auditor may consider retaining the pay of such employees in cases where the controlled class has been established for the maximum period of time, even if their current rate is higher than the top rate for their classification.

The process for approving a higher rate for a “controlled class” shall be as follows:

1. A hiring manager may make a request and provide an initial basis for consideration by Management Services.
2. Management Services shall confirm or further research the need for the use of a controlled class.

Upon the completion of such review, the City Auditor shall approve or deny the request for adjustment of compensation for the classification. Such pay range designated or established by the City Auditor shall not be more than 20% over the current pay range, and shall be limited to a period of not more than two years, unless extended by the City Auditor based on additional review at the end of the two year period.

Pay Status

An employee is in paid status when working, when on paid leave, or when on worker's compensation leave. An employee is not in paid status after the last day of work when separated because of resignation, dismissal, death, retirement or layoff.

Payment to Separated Employees

Employees who separate from City service shall be paid in accordance with applicable law.

Boards and Commissions

No member of any board or commission shall receive any salary or other compensation for their services on such board or commission.

Overtime

See the Administrative Rules regarding Hours of Work and Overtime: [8.02 Hours of Work and Overtime Compensation: FLSA Covered Employees](#) and [8.03 Hours of Work, Overtime Compensation & Management Leave: FLSA Exempt Employees](#).

Human Resources Rule Information and History

Questions about this administrative rule may be directed to the [Management Services Division](#) of the Auditor's Office.

Adopted by the City Auditor December 11, 2017.

Adapted from City of Portland Human Resources Administrative Rule 8.04 Compensation.

Adopted by Council March 6, 2002, Ordinance No. 176302.

Last revised April 25, 2016.