214. **Supervisory Pay Differential**

.1 Supervisors who meet the requirements of this policy are eligible to have their salary increased up to fifteen percent (15%) above the Predominant Base Wage of their direct reports.

**Definitions:**

**Supervisor** – Any full-time, classified exempt employee who represents the management of the City and oversees, directs, and instructs two or more employees. Such person works in a classification excluded from a bargaining unit.

A Supervisor has the authority to recommend hiring and disciplinary action. A Supervisor is also responsible for conducting and signing performance reviews.

**Predominant Base Wage** - The average base wage of the highest twenty percent (20%) of all full-time classified employees supervised by the exempt Supervisor. With direct reports of less than ten (10) employees, a minimum of two (2) positions will be used to calculate the Predominant Base Wage. Vacant positions are included in the calculation at the minimum step of the pay grade for these positions.

.11 However, a special pay adjustment (such as a special merit increase) for a direct report which occurs in the same calendar year (see 214.34) during which the Supervisor is reviewed for a Supervisory Pay Differential increase is not included in the calculation of Predominant Base Wage.

Also, highly specialized or highly technical positions which require specific degrees and/or certifications are not included in the calculation of Predominant Base Wage. The final determination for including special pay adjustments, highly specialized, or highly technical positions in the calculation of Predominant Base Wage will be made by the Personnel Director or designee.

.2 To receive the Supervisory Pay differential, a Supervisor must:

.21 Be an EX-28 (or classified exempt equivalent) and above pay grade;

.22 Have received a Proficient rating in the most recent performance review and maintain that rating during each subsequent evaluation period.

.3 Supervisory Pay Differential is also subject to the following:

.31 When the employee is initially promoted to a supervisor position eligible for Supervisory Pay Differential, a pay differential of up to ten percent (10%) will be allowed between the Supervisor’s salary and the Predominant Base Wage of his or her direct reports.

.32 After completion of 12 continuous months in the position, the Supervisor is eligible for an increase of up to an additional five percent (5%) between the Supervisor’s pay and the Predominant Base Wage of their direct reports.
In any case, except for positions which are determined to include special pay adjustments or being highly specialized or highly technical, a differential of 2% shall be maintained between the salary of the Supervisor and their highest paid direct report if the final application of the Predominant Base Wage still results in a direct report having a higher salary than their Supervisor.

At no point shall any employee’s base pay rate exceed the maximum of the pay range.

Initially, departments should review employees and implement relevant changes immediately after this policy becomes effective. Any new or increased amounts would become effective the first pay period after processing through the payroll system. Thereafter, beginning in calendar year 2020, departments should review the circumstances of all employees eligible for or receiving Supervisory Pay Differential by November 1 each year and notify the Personnel Director or designee by December 1 of any changes. Any new or increased pay amounts will be effective on January 1 and will not be retroactive and will not be considered at other times during the year unless an employee changes positions through the promotional process.

Any time an employee receiving a Supervisory Pay Differential ceases to be eligible to receive it by not working in an EX28 (or equivalent) and above supervisor position or maintaining a proficient performance rating, the increased payment will end effective the next regular pay period.

If an employee is rated as Proficient in a subsequent performance review, the employee would be eligible for the Supervisory Pay Differential effective the following January 1.

The Personnel Director or designee is responsible for the review and final approval of any salary change related to the Supervisory Pay Differential.