

RULE 13
PAY FOR PERFORMANCE

(Revised effective January 1, 2012; Rule Revision Memo 59C)

Purpose statement:

The purpose of this rule is to explain the Performance Enhancement Program (“PEP”) and how the individual performance of eligible Career Service employees is evaluated, reported and rewarded with merit increases or merit payments.

Section 13-10 Definitions:

- A. Eligible Employee: All Career Service employees are eligible for merit increases or merit payments as provided in this Rule, except:
1. On-call employees;
 2. Employees holding positions in the Training pay schedule, which only has one pay rate and cannot support merit increases; and
 3. Employees who hold positions in classifications contained in the Undersheriff pay schedules.
- B. Merit Increase: Periodic increase to an employee’s base rate of pay determined by an employee’s performance rating and location in the applicable pay range.
- C. Merit Payment: Lump sum payment of one percent (1%) of an employee’s current annual base salary provided to employees at the range maximum who receive either an “Outstanding” or “Exceeds expectations” rating. A merit payment will not increase an employee’s base rate of pay.
- D. Performance Improvement Plan (“PIP”): A document which may be used at any time during an employee’s evaluation period to supplement the employee’s PEP plan that may include, but is not limited to, levels of performance that must be achieved to obtain a successful rating, current performance deficiencies, support that may be provided by the department or agency, actions the employee must take to address the performance deficiencies, and a timeline for completion of the actions.

Section 13-20 Performance Enhancement Program

13-21 Purpose

The purposes of the PEP are to outline job expectations, establish performance outcomes and measures, encourage and support professional development, provide on-going performance feedback, and evaluate performance in a timely manner.

13-22 Written PEP Plan

Upon appointment to a position, or the assignment of substantially different duties, an eligible employee's supervisor shall provide the employee with a written PEP plan setting forth the performance outcomes and measures against which an employee's performance is evaluated every year.

13-23 PEP Reporting

- A. All eligible employees shall have their performance for the previous calendar year formally evaluated and rated in a PEP Report ("PEPR"). This evaluation shall occur once every year according to the schedule attached as Appendix A.
- B.
 - 1. Eligible employees who have been absent from their position for less than a calendar year shall have their performance while present at work evaluated as provided in this rule.
 - 2. Eligible employees who have been on a leave of absence from their position for all of the preceding calendar year shall have their pay adjusted to reflect what they would have received with a "Successful" merit increase set at the mid-point of the applicable range for the quartile containing the employee's pay rate.

13-24 Interim PEPRs

- A. Whenever an eligible employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action, an interim PEPR shall be completed by the employee's former supervisor immediately preceding the change. When the employee's current supervisor terminates employment with the City, the next level manager will be responsible for completing the interim PEPR. The interim PEPR shall cover the period from the beginning of the year until the effective date of the transaction.
- B. If an employee's supervisor or next level manager fails to complete an interim PEPR and submit it to the receiving supervisor within thirty (30) calendar days after the transaction date, a rating of "Successful" shall be granted for the relevant period.
- C. The receiving supervisor shall prepare a PEPR for the period between the effective date of the interim PEPR and the end of the year. The overall performance rating should take into account the performance rating on the interim PEPR and the employee's current performance in proportion to the time spent in each assignment. Nothing herein shall prevent an employee from receiving an overall annual rating of "Failing" or "Below expectations," even if the interim PEPR was "Successful," "Exceeds expectations" or "Outstanding."

Section 13-30 PEP Process

13-31 Performance Ratings

- A. An eligible employee's overall performance shall be rated in an employee's PEPR as one of the following:
1. Failing: Work does not meet expectations in most, if not all, areas.
 2. Below expectations: Meets many, but not all job requirements. Outcomes are generally less than expected, with improvement required in one or more specific areas.
 3. Successful: Consistently achieved performance standards.
 4. Exceeds expectations: Consistently performs well above expected job requirements. Outcomes frequently surpass expectations.
 5. Outstanding: Consistently delivers outcomes not often achieved by others; always exceeds standards.
- B. "Failing" Rating Procedure:
1. If an eligible employee's annual performance rating is expected to be "Failing," the department or agency shall advise the employee of the expected rating a reasonable time in advance, but not less than seven (7) calendar days prior to the date of the meeting scheduled to review the employee's PEPR, and shall allow representation at the meeting to review the PEPR in accordance with the provisions of Rule 15 **CODE OF CONDUCT**.
 2. The employee shall be provided with a PIP no later than ten (10) calendar days after the date the PEPR is reviewed with the employee.

13-32 Merit Increases and Merit Payments

- A. The funding for merit increases and merit payments is provided in the annual appropriation ordinance. The pay increase associated with a particular performance rating shall be reviewed annually and adjusted as necessary to reflect prevailing practices in the community. The award of merit increases and merit payments is contingent upon this annual appropriation being approved by City Council and the Mayor. In case of a conflict between ordinance and these rules, the ordinance will prevail.
- B. Departments and agencies are responsible for determining the percentage increase associated with each employee rating within each quartile. The percent increase for all eligible employees shall average 2.1% for merit increases and merit payments delivered in 2012.
- C. Merit Table:
 - 1. Eligibility for merit increases and merit payments is based on an eligible employee's overall annual performance rating as measured by a PEPR and the quartile in which the employee's pay is found in accordance with the following table:

Rating	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile	Range Maximum
5. Outstanding	3.4-3.8%	2.9-3.3%	2.4-2.8%	1.9-2.3%	Merit Payment
4. Exceeds Expectations	2.9-3.3%	2.4-2.8%	1.9-2.3%	1.1-1.5%	Merit Payment
3. Successful	2.4-2.8%	1.9-2.3%	1.1-1.5%	0.6-1.0%	0.0%
2. Below Expectations	0.0-1.2%	0.0-0.7%	0.0%	0.0%	0.0%
1. Failing	0.0%	0.0%	0.0%	0.0%	0.0%

- 2. However, no eligible employee shall receive a merit increase that exceeds the range maximum of the pay grade assigned to the employee's job classification. If the application of this sub-paragraph results in an employee receiving a merit increase of less than one percent (1%) in connection with an "Outstanding" or "Exceeds expectations" rating, the employee shall receive the difference between the percentage merit increase received and one percent (1%) in the form of a merit payment.

- D. In the case of a declared fiscal emergency by the Mayor, and upon the request of the Mayor, there will be no merit increases or merit payments awarded for increments of at least one year. During the declared fiscal emergency appointing authorities, managers and supervisors shall complete PEPRs for eligible employees, but no merit increases or merit payments will be awarded during this time.

13-33 Pro-ration for New Hires

Employees hired after January in the previous year shall have their merit increase or merit payment reduced by 1/12th for the number of months after January their hire or re-hire date occurs. For instance, employees hired in February shall have their merit increase or merit payment for that year reduced by 1/12th. Employees hired in December shall have their merit increase or merit payment for that year reduced by 11/12^{ths}.

13-34 Effective Date of Merit Increase

Merit increases and merit payments will be effective on the first Sunday of the calendar year for eligible employees who were employed in the Career Service on December 31st of the previous year.

13-35 Enforcement of PEPR Schedule

- A. Departments and agencies shall submit proposed merit increases and merit payments to CSA as provided in the schedule attached as Appendix A.
- B. 1. If a supervisor's or manager's failure to meet the deadlines set forth in Appendix A is a contributing reason to an appointing authority's failure to meet the deadline for submitting recommended merit increases and merit payments to CSA for all of the appointing authority's eligible employees, the supervisor's or manager's rating shall be reduced as follows:
- a. If the supervisor's or manager has missed a deadline, that supervisor or manager's rating for the outcome related to the timeliness of PEPRs shall not exceed "Below expectations."
 - b. Once the supervisor or manager is more than one week late in meeting a deadline set forth in Appendix A, the overall performance rating that supervisor or manager would otherwise have received for the previous calendar year shall be reduced by one rating.
 - c. Each additional seven day period of delay shall result in the supervisor's or manager's rating being reduced one rating for each additional seven day period.

2. An appointing authority may request that the Career Service Personnel Director grant a supervisor or manager who is more than one week late in meeting a deadline set forth in Appendix A, relief from the operation of this paragraph 13-35 B, due to a showing of extenuating circumstances beyond the reasonable control or advance knowledge of the employee.
- C. The failure of a supervisor or manager to meet the deadlines set forth in Appendix A may also be grounds for discipline, up to and including dismissal, for failure to perform assigned duties under Rule 16 **DISCIPLINE AND DISMISSAL**.

13-36 Review of PEPR with Employee

Each employee's PEPR shall be reviewed with the employee as provided in the schedule attached as Appendix A.

13-37 Official Records

The PEPR and any supporting documentation shall be made a permanent part of the employee's official personnel record.

13-38 Discipline

The PEP plan and PEPR may be used as a basis for disciplinary action under Rule 16 **DISCIPLINE AND DISMISSAL**, up to and including dismissal, if an employee's performance fails to comport with the standards set forth in the PEP plan.

13-39 Grievances and Appeals Relating to PEPRs

- A. An eligible employee may grieve any performance rating pursuant to Rule 18 **DISPUTE RESOLUTION**.
- B. An eligible employee may appeal a grievance of a "Failing" rating in accordance with Rule 19 **APPEALS**. Appeals of grievances of other ratings are not permitted.
- C. An eligible employee may not grieve or appeal any other aspect of the PEP.

13-40 Employees in the Community Rate and Short-range Pay Schedules

Employees holding positions in the Community Rate and Short-range pay schedules are on-call, accordingly, merit increases or merit payments are not available. However, employees in these schedules may receive a two and one quarter percent (2.25%) pay increase (not to exceed the range maximum of the applicable range) upon the approval of the appointing authority, except during a declared fiscal emergency, after having served:

- A. Two consecutive annual terms (an annual term is a minimum of three hundred (300) hours); or
- B. One term and completion of a certificate program as approved by the appointing authority.

**APPENDIX A
2011 PEPR SCHEDULE**

DUE DATE	TASK
February 10, 2012	Deadline for performance evaluations for 2011 calendar year to be completed by subordinate supervisors and managers.
February 16, 2012	<p>First day for appointing authorities to submit merit increase and merit payment recommendations for all agency employees to CSA. The percent increase for all eligible employees in a department or agency should average 2.1% for merit increases and merit payments delivered in 2012.</p> <p>Supervisors may begin meeting with employees to review PEPRs and merit increase amount once CSA has reviewed and approved merit increase and merit payment recommendations.</p>
February 24, 2012	Deadline for appointing authorities to submit merit increase and merit payment recommendations to CSA. All eligible employees must be accounted for in these recommendations.
March 2, 2012	Last day for supervisors to review PEPRs and merit increases or merit payments with employees.
March 30, 2012	Merit increases and merit payments appear on employee paychecks.
April 13, 2012	Merit increases and merit payments are paid retro-actively for the period from January 1 st until March 10 th .

This Appendix is provided for informational purposes and is not considered a part of the Rules.