

**REVISED CAREER SERVICE RULE 13**  
**PAY FOR PERFORMANCE**

**PLEASE READ AS SOON AS POSSIBLE**

**TO: Appointing Authorities, Managers, and Employees**

**FROM: Don Cordova  
CSA Director**

**DATE: March 12, 2007**

**SUBJECT: Revision of Career Service Rule 13 PAY FOR PERFORMANCE**

The Career Service Board has approved the revision of Career Service Rule 13 PAY FOR PERFORMANCE. This revision allows employees at the top of their pay ranges (steps 17 and 18 in non-exempt schedules, and steps 19 through 22 in exempt schedules), who are not entitled to merit increases after 'Successful' ratings, to receive a merit payment. It also allows employees at the top step of their pay ranges (step 18 in non-exempt schedules and step 22 in exempt schedules), who would not ordinarily receive a merit increase with an "Exceptional" rating (because they can't advance beyond the top step), to receive a merit payment. A merit payment is a non-base building, lump sum payment of 1% of an employee's annual salary.

This revision applies to all PEPR ratings due in 2007 (including PEPRS due before the issuance date of this revision).

Merit payments for years after 2007 will require approval of an appropriation by the City Council.

Please provide a copy of this rule to employees who do not have access to a City e-mail account.

**MEMORANDUM**

**REVISION 15, SERIES C**

**TO:** Holders of CSA Rule Books

**FROM:** Career Service Board

**DATE:** March 12, 2007

**SUBJECT:** Revision of Career Service Rule 13 PAY FOR PERFORMANCE

The Career Service Board has revised Career Service Rule 13 PAY FOR PERFORMANCE. The effective date of this revision is January 1, 2007.

	<b><u>Page Number</u></b>	<b><u>Issuance Dates</u></b>
<b>Remove entire Rule 13</b>	13-1 through 13-5	January 1, 2006
<b>Replace with new Rule 13</b>	13-1 through 13-5	March 12, 2007

**PLEASE INSERT IN YOUR RULE BOOK AS SOON AS POSSIBLE. THANK YOU.**

**RULE 13**  
**PAY FOR PERFORMANCE**

(Effective January 1, 2006; Rules Revision Memo 2C;  
revised effective January 1, 2007; Rules Revision Memo 15C)

Purpose statement:

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

Section 13-10 Definitions:

- A. 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.
- B. Anniversary Date: The effective date of an employment appointment or a re-employment appointment to a full or part-time limited or unlimited position in the Career Service, whichever is later; or the effective date of a re-instatement appointment.
- C. Interim PEPR: A PEPR prepared prior to an employee's PEP Evaluation End Date whenever an employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action.
- D. Merit Increase: Periodic increase to an employee's base rate of pay determined by an employee's PEP rating and current pay step.
- E. Merit Payment: Lump sum payment of one percent (1%) of an employee's current annual salary (before any applicable withholding) determined by the employee's PEP rating and current pay step. A merit payment will not increase an employee's base rate of pay. Funding for merit payments after calendar year 2007 is contingent upon approval of an annual appropriation by the City Council.
- F. Merit Date: The beginning of the first pay period following the PEP Evaluation End date.
- G. PEP Evaluation End Date: The date the employee's annual evaluation period concludes. For employees hired prior to January 1, 2006, it is the PEPR date they had as of December 31, 2005. For employees hired or re-hired on or after January 1, 2006, the PEP Evaluation End date will be the first of the month following the employee's anniversary date.
- H. PEP Plan: The written plan that is provided to an employee setting forth the performance standards and measures against which an employee's performance is evaluated each year in an employee's PEPR.

Page issuance date: March 12, 2007

Effective date: January 1, 2007

- I. PEPR Due Date: Thirty calendar days after an employee's PEP Evaluation End Date. If the PEPR Due Date falls on a day the Career Service Authority ("CSA") is not open for business, it shall be construed to be the next working day.
- J. PEPR Review Date: The date an employee's PEPR is reviewed with an employee.
- K. Performance Enhancement Program (PEP): The performance evaluation system used by the City and County of Denver for Career Service employees.
- L. Performance Enhancement Program Report (PEPR): The report of an employee's performance evaluation that is provided to an employee each year by the employee's supervisor.
- M. Performance Rating: The rating that is included in an employee's PEPR which is either "exceptional," "successful" or "needs improvement."

#### Section 13-20 Performance Enhancement Program-

The purposes of the Performance Enhancement Program ("PEP") are to outline job expectations, establish performance standards and measures, encourage and support professional development, provide on-going performance feedback, and evaluate performance.

- A. Upon appointment to a position, or the assignment of substantially different duties, the employee's supervisor shall complete a PEP plan and review it with the employee.
- B. The PEP plan may be used as a basis for disciplinary action under Rule 16 DISCIPLINE if an employee's performance fails to comport with the standards set forth in the PEP plan.

#### Section 13-30 PEP Process

##### A. PEP Reporting Requirement

- 1. All employees, except those holding on-call positions, shall have their performance formally evaluated and rated once a year.
- 2. Each employee's performance rating shall be reflected in an official CSA Performance Enhancement Program Report ("PEPR") form, which shall be reviewed with the employee and submitted to CSA no later than thirty (30) calendar days after an employee's PEP Evaluation End Date.
- 3. Documentation specifically detailing the reason(s) for an employee's performance rating shall be provided to CSA and the employee. Failure to provide such documentation to CSA shall result in the PEPR being returned to the appointing authority.
- 4. The PEPR and any supporting documentation shall be made a permanent part of the employee's official personnel record.

B. Interim PEPRs

1. Whenever an 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. This report shall cover the period from the last PEP Evaluation End date to the effective date of the transaction and shall be given to the receiving supervisor.
2. If an employee's supervisor or next level manager fails to complete an interim PEPR and submit to CSA within thirty (30) calendar days after the transaction date, a rating of "Successful" shall be granted for the relevant period.
3. The receiving supervisor shall prepare a PEPR for the period between the effective date of the interim PEPR and the PEP Evaluation End Date. 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 "needs improvement," even if the interim PEPR was "successful" or "exceptional."

C. Performance Ratings

An employee's overall performance shall be rated in an employee's PEPR as one of the following:

- |                     |  |
|---------------------|--|
| Exceptional -       | Consistently surpassed performance standards.  |
| Successful -        | Consistently achieved performance standards.   |
| Needs Improvement - | Failed to meet critical performance standards. |

Section 13-40 "Needs Improvement" Rating Procedure

- A. If an employee's annual performance rating is expected to be "Needs Improvement," 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 PEPR Review Date, and shall allow representation at the meeting to review the PEPR in accordance with the provisions of Rule 15 CODE OF CONDUCT.
- B. If an employee's annual performance rating is "Needs Improvement," the employee will not be eligible for a merit increase or merit payment for that evaluation period unless the PEPR is more than thirty (30) calendar days late, in which case the provisions of Section 13-61 D Failure to File PEPR will determine the employee's eligibility for a merit increase.
- C. The employee shall be provided with a PIP no later than ten (10) calendar days after the PEPR Review Date.

Section 13-50 Grievances and Appeals Relating to PEPRs

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

Section 13-60 Eligibility for Merit Increases and Merit Payments

- A. Eligibility for merit increases and merit payments is based on employee performance as measured by a PEPR. Employees who hold positions in classifications contained in the Undersheriff pay schedules are not eligible for merit increases or merit payments under this Rule 13.
- B. The amount of an employee's merit increase, if any, or an employee's eligibility for a merit payment, shall be based on an employee's overall annual performance rating reflected in the PEPR in accordance with the following table:

Performance Rating	Between Steps 1-9 for Non-Exempt and 1-11 for Exempts	Between Steps 10-16 for Non-Exempt and 12-18 for Exempt	Between Steps 17-18 for Non-Exempt and 19-22 for Exempt
Exceptional	3 steps	2 steps	1 step
Successful	2 steps	1 step	Merit payment
Needs Improvement	No increase	No increase	No increase

- C. No employee shall receive a merit increase that exceeds the highest rate of pay in the pay grade assigned to the employee's job classification. Employees at step 18 in a non-exempt schedule, or at step 22 in an exempt schedule, who receive an "Exceptional" rating shall receive a merit payment.
- D. The funding for merit increases is provided in the annual appropriation ordinance. The number of steps reflected in 13-60 B may be adjusted from year to year. The award of merit increases is contingent upon this annual appropriation being approved by City Council. In case of a conflict between ordinance and these rules, the ordinance will prevail.

13-61 Merit date:

- A. General Provision: If an employee is eligible to receive a merit increase or merit payment, it will be effective at the beginning of the pay period following the PEP Evaluation End date.
- B. Declared Fiscal Emergencies: 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 employees, but no merit increases or merit payments will be awarded during this time.

- C. Late filing of PEPR: If a department or agency prepares an employee's PEPR after the PEP Evaluation End date, any merit increase or merit payment to be awarded as a result of the performance rating shall be granted retroactively to the merit date.
- D. Failure to file PEPR:
  - 1. If a PEPR is not received in the office of CSA within thirty (30) calendar days after the PEP Evaluation End date, a merit increase, equivalent to the step the employee would have received for a "Successful" rating, shall be granted retroactively to the merit date.
  - 2. If the PEPR is received after the thirty (30) calendar days and it shows an "Exceptional" rating, any corresponding increase in merit pay shall be granted retroactively to the merit date.
  - 3. If the PEPR is received after the thirty (30) calendar days and it shows a "Needs Improvement" rating, the employee shall continue to receive the merit increase, if any, associated with a "Successful" rating, but the PEPR evidencing the "Needs Improvement" rating will become part of the employee's record.
  - 4. Supervisors or managers who are responsible for the submission of PEPRs to CSA and file a PEPR more than thirty (30) calendar days after the PEP Evaluation End date may be subject to discipline for failure to perform assigned duties.

#### 13-62 On-call Employees and Employees in Other Pay Schedules

- A. On-call employees are not eligible for merit increases or merit payments.
- B. 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 advance one (1) pay step in the pay range upon the approval of the appointing authority, except during a declared fiscal emergency, after having served:
  - 1. Two consecutive annual terms (an annual term is a minimum of three hundred (300) hours); or
  - 2. One term and completion of a certificate program as approved by the appointing authority.
- C. The Training pay schedule only has one step; accordingly merit increases cannot be granted.