



Administration, Finance and Talent Management Committee Meeting
VRS, 1111 E. Main St., 3rd Floor Board Room
Thursday, 4/20/2023
10:00 - 11:00 AM ET

I. Approve Minutes

• **March 29, 2023**

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II. RBA – Approve Revised Administrative Pay Plan

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Minutes

A regular meeting of the Virginia Retirement System Administration, Finance and Talent Management Committee was held on March 29, 2023, with the following members participating:

A. Scott Andrews, Chair
Joseph W. Montgomery, Vice Chair
Michael P. Disharoon
W. Brett Hayes

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Jeanne Chenault, Michael Cooper, David Cotter, Juanita Cribbs, Valerie Disanto, Jonathan Farmer, Robert Irving, LaShaunda King, Curt Mattson, Michael McDaniel, Angela Payne, Matt Priestas, Steven Ramirez, Paula Reid, Mark Rein and Leslie Weldon.

Guests:

Jamie Bitz, Joint Legislative Audit and Review Commission; Elizabeth Myers, Office of Attorney General; and Tom Astin, retiree.

The meeting convened at 10:30 a.m.

Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the March 29, 2023, meeting of the Administration, Finance and Talent Management Committee.

Approval of Minutes

Following a motion by Mr. Hayes, with a second by Mr. Montgomery, the Committee unanimously approved the minutes of its December 8, 2022, meeting.

Reappointment of IAC Members and IAC Chairperson

Andrew Junkin, Chief Investment Officer, presented the recommendations for reappointment of two members of the Investment Advisory Committee (IAC) whose terms are set to expire. Both members have expressed interest in continuing to serve on the IAC. In addition, the IAC Chair's term is set to expire and the incumbent has expressed interest in continuing to serve in that role.

Upon a motion by Mr. Montgomery, with a second by Mr. Hayes, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Reappointment of IAC Members and IAC Chair

Request for Board Action: *The Board reappoints to the Investment Advisory Committee: Michael Beasley for a two-year term ending June 20, 2025, and Rod Smyth for a two-year term ending June 20, 2025. The Board also reappoints Lawrence E. Kochard as Chairperson of the Investment Advisory Committee for a two-year term ending on May 31, 2025.*

Mr. Andrews thanked Mr. Junkin for his presentation.

Reappointment of DCPAC Members

Next, Trish Bishop, Director, presented the recommendations for reappointment of three members of the Defined Contribution Plans Advisory Committee (DCPAC). Ms. Bishop advised the members' terms are set to expire and all have expressed an interest in continuing to serve on the DCPAC.

Upon a motion by Mr. Montgomery, with a second by Mr. Disharoon, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Reappointment of DCPAC Members

Request for Board Action: *The Board reappoints Shannon T. Irvin, Rick Larson and David A. Winter to the Defined Contribution Plans Advisory Committee (DCPAC), each for a two-year term ending June 20, 2025.*

Mr. Andrews thanked Ms. Bishop for her presentation.

Approve Revised Investment Professionals' Pay Plan

Paula Reid, Director of Human Resources, provided an overview of the proposed amendments to the Investment Professionals' Pay Plan (Pay Plan). Ms. Reid advised the revisions include removing the position of Chief Managing Director as there is no further need for the position in the Pay Plan. In addition, Item 483 of the 2022 Appropriation Act requires the Department of Human Resource Management to increase by 5% the minimum and maximum of each of the salary bands in the Commonwealth's Classified Compensation Plan. Generally, the VRS Board of Trustees also adjusts the salary scales in its pay plans in accordance with the requirements in the Appropriation Act. This change, effective June 10, 2023, is consistent with changes made to the Commonwealth's Classified Compensation Plan.

Ms. Reid advised that if, subsequent to the approval of the request for Board action, an Appropriation Act is enacted in 2023 that provides for any additional changes other than the 5% contained in Item 483 of the 2022 Appropriation Act, the Pay Plan will be amended to remain consistent with the changes made to the Commonwealth's Classified Compensation Plan.

Upon a motion by Mr. Montgomery, with a second by Mr. Disharoon, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Approve Changes to Investment Professionals' Pay Plan

Request for Board Action: *The Virginia Retirement System Board of Trustees approves an amended Investment Professionals' Pay Plan, effective June 10, 2023.*

Approve Revised Administrative and Investment Operations and Administration Pay Plans

Next, Ms. Reid provided an overview of the proposed amendments to the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan. Ms. Reid advised that as with the Investment Professionals' Pay Plan, the revisions include an increase of 5% to the minimum and maximum salary scales for the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan. This adjustment is consistent with changes made to the Commonwealth's Classified Compensation Plan as provided for in Item 483 of the 2022 Appropriation Act.

Ms. Reid also noted additional recommended changes to the Administrative Pay Plan will be presented at the April AFT meeting. The recommendations are based on the recently completed market study and analysis of the compensation plan.

Upon a motion by Mr. Montgomery, with a second by Mr. Hayes, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Approve amended Administrative Pay Plan and Investment Operations and Administration Staff Pay Plan

Request for Board Action: *The VRS Board of Trustees approves an amended Administrative Pay Plan and Investment Operations and Administration Staff Pay Plan, effective June 10, 2023.*

Mr. Andrews thanked Ms. Reid for her presentation.

Quarterly Budget Update

Next, Jon Farmer, Budget and Performance Reporting Manager, provided an update on the FY 2023 budget. Mr. Farmer advised VRS began the fiscal year with approximately \$119 million and provided an overview of the agency's expenditures of approximately \$69 million as of February 2023. Mr. Farmer reviewed the remaining projected expenditures which are mostly influenced by salary revisions and increased travel and training as compared to recent years. Mr. Farmer concluded the agency is on track to conclude FY 2023 with an estimated \$14.8 million in unexpended appropriation.

Mr. Andrews thanked Mr. Farmer for his report.

Closed Session

Mr. Montgomery moved, with a second by Mr. Disharoon, that the Administration, Finance and Talent Management Committee of the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act to discuss information that describes the design, function, operation, or access control features of a security system which is used to control access to or use of an automated data processing system, pursuant to the public safety exemption at § 2.2-3711(A)(19) of the *Code of Virginia*, and for consultation with legal counsel pursuant to § 2.2-3711(A)(8) of the *Code of Virginia*.

Upon return to open meeting, Mr. Montgomery moved, with a second by Mr. Disharoon, the following resolution:

WHEREAS, the Administration, Finance and Talent Management Committee of the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the Code of Virginia requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee.

The Committee approved the resolution upon the following roll call vote:

Mr. Disharoon: Aye
Mr. Hayes: Aye
Mr. Montgomery: Aye
Mr. Andrews: Aye

Other Business

Lastly, Mr. Andrews noted the Audit and Compliance Committee will meet at 1:00 p.m. following the conclusion of the AFT meeting, and the Defined Contribution Plans Advisory Committee will meet on March 30 at 1:00 p.m.

Adjournment

Following a motion by Mr. Montgomery, with a second by Mr. Hayes, the Committee agreed to adjourn the meeting.

There being no further business, the meeting concluded at 11:18 a.m.

Chair

Date

Approve changes to Administrative Pay Plan.

Requested Action

The Virginia Retirement System Board of Trustees approves an amended Administrative Pay Plan (“Pay Plan”), effective May 10, 2023, and approves the adoption of the recommendations of the compensation market study conducted by CBIZ, Inc.

Description/Background

The VRS Board of Trustees approved the current Administrative Pay Plan on June 23, 2022.

The proposed amendments adjust the salary ranges for administrative and technology positions consistent with the adjustments to the Commonwealth’s Classification Compensation Plan in the Appropriations Act, make changes to the procedures for certain salary adjustments, and make other technical amendments. The amendments to the Administrative Pay Plan include the following:

- Adjusts the salary ranges for administrative and technology positions consistent with the adjustments to the Commonwealth’s Classification Compensation Plan in the Appropriations Act
- Allows the following in-grade salary adjustments:
 - An increase of 1% to 10% for an employee who assumes new higher-level duties and responsibilities critical to operations.
 - An increase of 1% to 10% as a retention adjustment to prevent employees from seeking outside employment.
- Requires the approval of the director of human resources, in addition to the current internal equity review and approval of the appropriate member of the Director’s Executive Committee (DEC), for the following salary adjustments:
 - A salary increase in excess of 15% when an employee is promoted to a job in a higher salary grade.
 - A salary increase in excess of 5% when an employee laterally moves into a different position within the same salary grade.
 - Not placing an employee’s salary who moves to a position within a lower salary grade into the pay range for the new position.

In addition, VRS engaged CBIZ, Inc., to conduct a compensation market study to review how VRS can remain competitive in the employment market. VRS recently received several recommendations which will impact the Administrative Pay Plan. The recommendations of the CBIZ, Inc., study are as follows:

- Create a new pay structure and increase the compensation of all employees to the minimum of their respective proposed salary ranges. The range minimum represents the level at which entry-level pay can be considered market competitive.
- Implementation of the compensation plan should occur uniformly across all positions. While different implementation scenarios may recognize budget constraints, partial or sporadic implementation can result in pay equity issues.
- Consider compression-based pay adjustments as a later phase of implementation. This will help to ensure that employee compensation is commensurate with experience and performance. It will also allow for enhanced flexibility to onboard new employees without creating pay inequities.

- Consider implementing additional ways to reward performance and move individuals throughout pay grades.
- Update structures annually. In order to reduce the administrative burden associated with salary structure maintenance, CBIZ will provide update factors that will allow VRS to update the recommended salary structures for five years after the study.
- Conduct a comprehensive market review every three to five years to ensure that the ranges remain market competitive.

A redlined version of the revised Administrative Pay Plan and a copy of the CBIZ, Inc., study recommendations are attached.

Authority for Requested Action

Code of Virginia § 51.1-124.22(A)(11) authorizes the Board to establish and administer a compensation plan for officers and employees of the Retirement System.

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date

VRS Compensation Study Results and Recommendations



Defining the Employee Value Proposition

Designing the employee experience that will help the right talent join, stay and deliver their best.



source: Mercer.com

CBIZ Compensation Consulting (“CBIZ”) was engaged by the Virginia Retirement System (“VRS”) to:

- Partner with VRS staff to update job descriptions
- Conduct a comprehensive compensation study for its employees
- Review current compensation practices
- Update the compensation plan



To assist VRS in implementing a compensation system that considers both market and internal factors, CBIZ:

- Matched VRS' positions to positions in the market
- Developed a new salary structure
- Calculated an approximate cost of implementing the recommendations



The objective of the compensation study is to provide VRS with a plan that:

- Enhances the ability to attract, retain and motivate qualified individuals
- Establishes structures that are flexible in order to meet changing needs
- Is well-aligned with broader goals and strategies



The scope of the study included:

- A competitive market analysis of base salary and total cash compensation
- Update a salary structure consistent with current best practices
- Reconciliation of actual compensation with market-competitive compensation
- Calculation of implementation costs
- Overall recommendations





Base Salary: The annual fixed rate that an individual is paid for performing a job.

Data Points



- **50th percentile:** the value that falls in the middle of the sampled data*
- **75th percentile:** the value that falls at the third quarter of the sampled data**

* Data point of reference for the proposed pay grade assignments for non-customer contact center positions.

** Data point of reference for the proposed pay grade assignments for the customer contact center positions and technology positions.

Competitive Market Analysis

*Approximately 85% of organizations strive to compensate employees at the **median** of the competitive labor market.**

- **Median pay** - half of the employers pay more and half pay less.
- VRS intends to be **competitive with pay**; generally setting the pay structure (i.e. salary ranges/grades) at the **market median**.



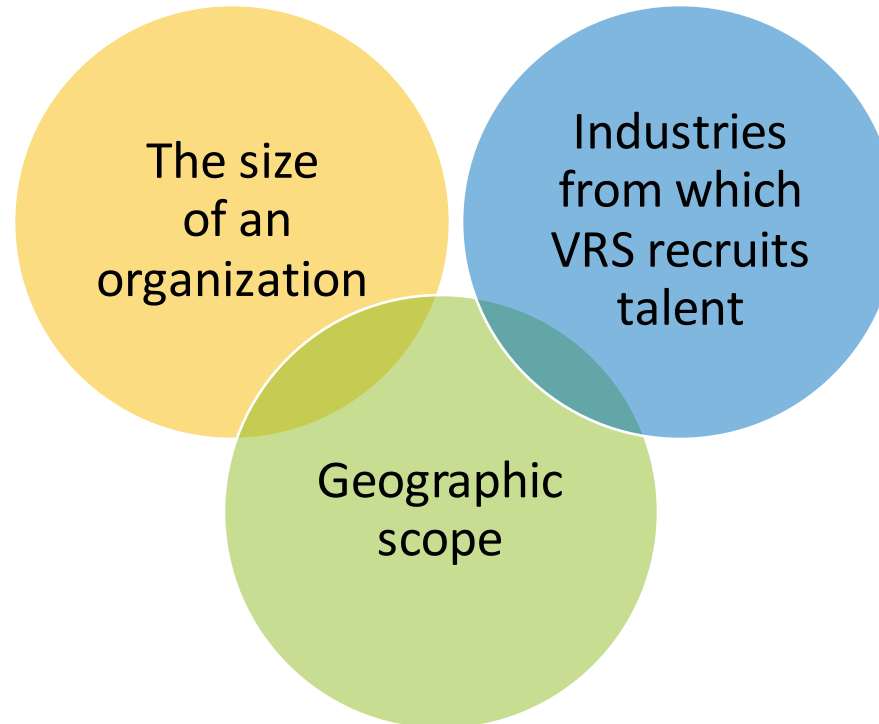
**According to a recent WorldatWork survey of market pricing practices.*

In ascertaining the competitiveness of compensation, it was necessary to determine what similar employers pay for jobs comparable to those at VRS.

To achieve this, CBIZ used its:

- Proprietary survey database with data from hundreds of published salary surveys; including data based on geographic area, organization size, years of experience and industry.
- 2021 Public Pension Survey.





- These labor market influences were considered for the jobs included in the study.
- Surveys focus on different market characteristics (e.g., some focus on size, others focus on geography or industry).
- CBIZ determined each characteristic as it relates to each position at VRS before conducting the market analysis.



Size of Organization

While compensation for many positions is based primarily upon location, industry, job tasks, and responsibilities, **compensation for upper-level positions is also significantly affected by the size of the organization.**

CBIZ compared VRS to organizations of similar asset size.



Geographic Influence

- National searches are commonly conducted for senior management positions, as these employees may relocate.
- In contrast, lower-paid salaried employees seldom relocate.
- To accurately reflect this marketplace characteristic, survey data must be comprised of participants who reflect the geographic scope of the position in question.

CBIZ primarily utilized data specific to Richmond, Virginia, which is expected to be the primary market for recruiting employees under the scope of the analysis.



Industry Influence

- Some jobs only exist within a certain industry and are most accurately priced to that industry exclusively.
- Some jobs are found in all industries, and the true market for these jobs usually considers this broader market.

CBIZ focused on pension and retirement funds and the broader labor market, as appropriate.

CBIZ used a database that compiles multiple salary sources from thousands of organizations because it:

- Provides a more complete view of the market
- Focuses on different market characteristics to define market peers
- Allows VRS to more closely define peers and peer relationships
- Allows for statistical validation of the collected data

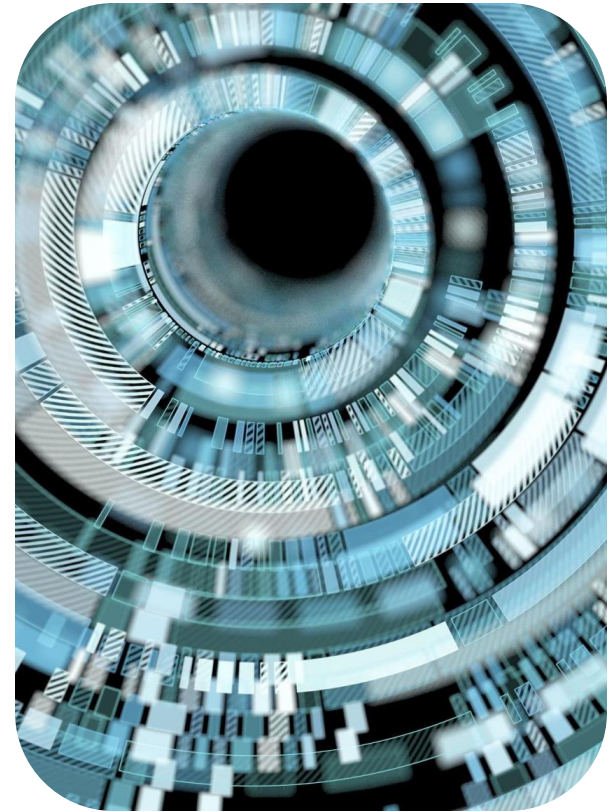


- CBIZ reviewed the content of job analysis questionnaires and each job description provided and searched the salary survey job descriptions to find the best possible match.
- When a valid match was found, the corresponding salary survey market data were recorded.



A comprehensive review of the included positions compared to the market base salary and market total cash compensation.

- The study contains a summary look at how VRS positions compare to the labor market and the reported percentiles.
- Market data were also compared to VRS current average compensation by position.
- On average, under current VRS' base pay is approximately **3.4%** below the published survey data market median.



A critical element of the compensation plan is the salary structure.

- A compensation framework comprised of multiple grades, each of which has an associated salary range.
- Groups jobs with similar market values and/or internal equity into the same grade.
- Ensures that each employee receives a salary that is reasonable given their assigned grade and corresponding salary range.



CBIZ developed a salary structure for administrative positions and one for technology positions.

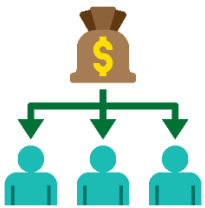
- Provides a system for slotting all jobs and allows for future growth.
- Salary grade midpoint designed to approximate market median for each job
- Each position slotted into a grade based on the grade midpoint that most closely corresponds to the market 50th/75th percentile based on the appropriate positions.





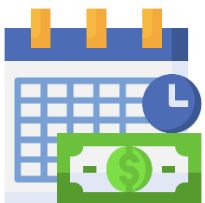
- **Create a new pay structure and increase the compensation of all employees to the minimum of their respective proposed salary ranges.**

The range minimum represents the level at which entry-level pay can be considered market-competitive.



- **Implementation of the compensation plan should occur uniformly across all positions.**

Partial or sporadic implementation can result in pay equity issues.



- **Consider compression-based pay adjustments as a later phase of implementation.**

This will help to ensure that employee compensation is commensurate with experience and performance. It will also allow for enhanced flexibility to onboard new employees without creating pay inequities.



- **Consider implementing additional ways to reward performance and move individuals throughout pay grades.**



- **Update structures annually.**
CBIZ will provide update factors that will allow VRS to update the recommended salary structures for five years after the study.

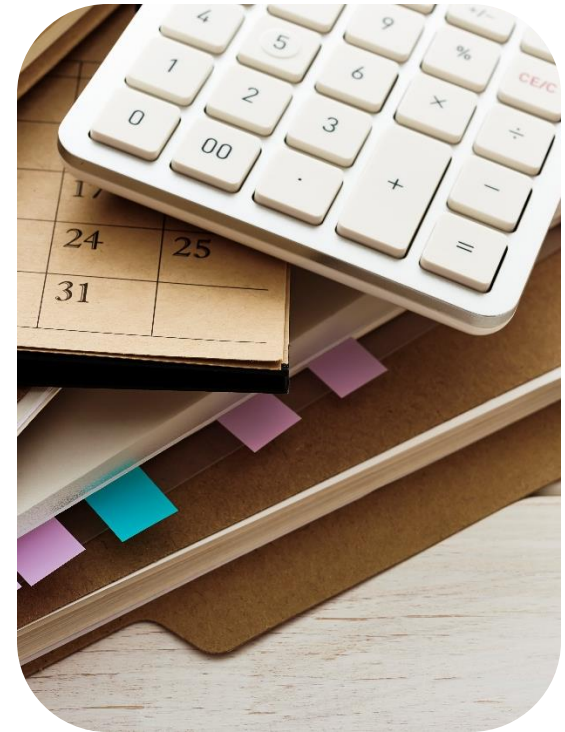


- **Conduct a comprehensive market review every three to five years.**
This ensures that the ranges remain market-competitive.

The initial cost to implement would be approximately **\$470,695*** – including approximately **\$387,992** for the Customer Contact Center positions.

This is the cost to bring all employees to the minimum of their respective proposed ranges and represents **1.2%** of total payroll.

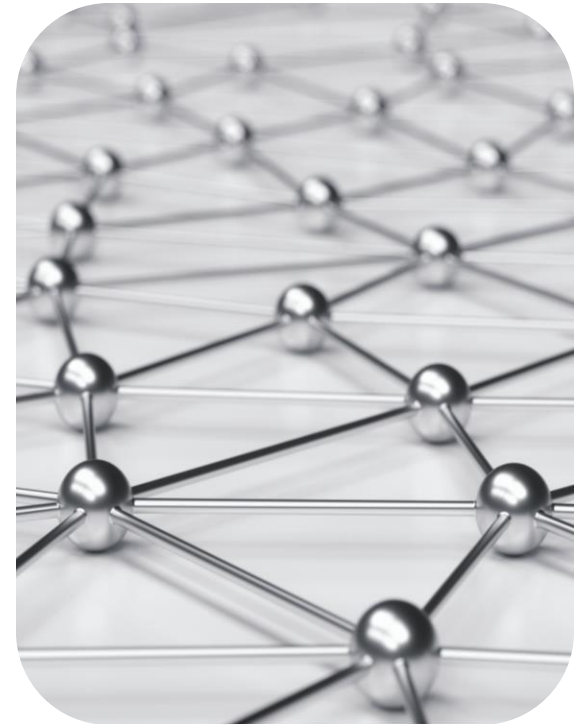
*Cost as of 4/03/23



New Pay Grade System

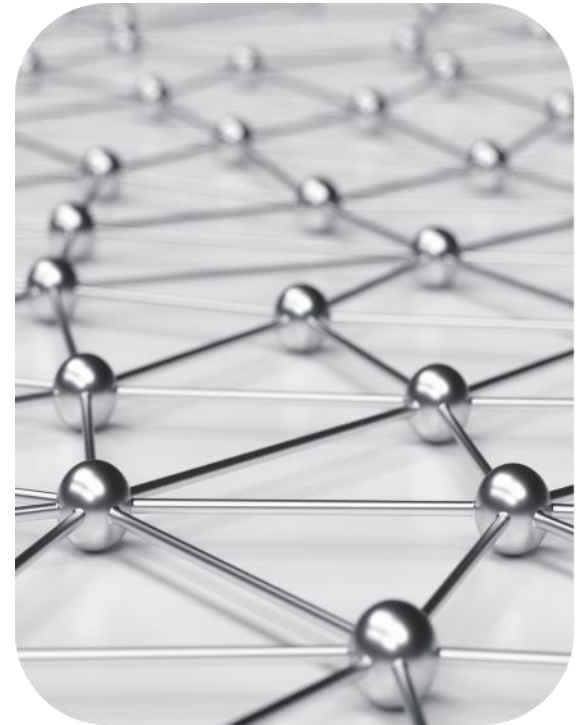
The CBIZ study indicated that our system:

- Contained far too many grades, especially for an agency of this size.
- Limited the pay range for each grade.
- Provided limited flexibility to pay individuals more within their grade.
- Has not evaluated grades in many years, and many positions have been added to the organization with many different skills and knowledge required.



Adopt a new job grade system for the VRS administrative staff which will replace the current plan.

- Creates a consistent system to evaluate employee roles and provides more flexibility to reward employees based on their skills.
- Approximately 87 positions will change grade from today.
- In many cases, the employee will receive higher pay in the grade-adjustment process.



Pay Grade Changes

Current Administrative Salary Ranges

| Grade | Min | Mid | Max |
|-------|--------------|--------------|--------------|
| 1 | \$28,194.00 | \$44,002.00 | \$59,811.00 |
| 2 | \$32,858.00 | \$50,438.00 | \$68,019.00 |
| 3 | \$36,142.00 | \$54,972.00 | \$73,801.00 |
| 4 | \$39,757.00 | \$59,960.00 | \$80,162.00 |
| 5 | \$43,733.00 | \$65,445.00 | \$87,159.00 |
| 6 | \$48,107.00 | \$71,481.00 | \$94,856.00 |
| 7 | \$54,361.00 | \$80,112.00 | \$105,863.00 |
| 8 | \$59,798.00 | \$87,613.00 | \$115,429.00 |
| 9 | \$65,776.00 | \$95,865.00 | \$125,955.00 |
| 10 | \$72,352.00 | \$104,941.00 | \$137,530.00 |
| 11 | \$79,588.00 | \$114,927.00 | \$150,266.00 |
| 12 | \$87,548.00 | \$125,910.00 | \$164,271.00 |
| 13 | \$96,302.00 | \$137,991.00 | \$179,681.00 |
| 14 | \$105,932.00 | \$151,281.00 | \$196,629.00 |
| 15 | \$116,526.00 | \$165,900.00 | \$215,274.00 |
| 16 | \$128,178.00 | \$181,981.00 | \$235,783.00 |
| 17 | \$140,996.00 | \$199,669.00 | \$258,342.00 |

Administrative Salary Ranges with 5% increase effective 6/10/23

| Grade | Min | Mid | Max |
|-------|--------------|--------------|--------------|
| 1 | \$29,603.70 | \$46,202.10 | \$62,801.55 |
| 2 | \$34,500.90 | \$52,959.90 | \$71,419.95 |
| 3 | \$37,949.10 | \$57,720.60 | \$77,491.05 |
| 4 | \$41,744.85 | \$62,958.00 | \$84,170.10 |
| 5 | \$45,919.65 | \$68,717.25 | \$91,516.95 |
| 6 | \$50,512.35 | \$75,055.05 | \$99,598.80 |
| 7 | \$57,079.05 | \$84,117.60 | \$111,156.15 |
| 8 | \$62,787.90 | \$91,993.65 | \$121,200.45 |
| 9 | \$69,064.80 | \$100,658.25 | \$132,252.75 |
| 10 | \$75,969.60 | \$110,188.05 | \$144,406.50 |
| 11 | \$83,567.40 | \$120,673.35 | \$157,779.30 |
| 12 | \$91,925.40 | \$132,205.50 | \$172,484.55 |
| 13 | \$101,117.10 | \$144,890.55 | \$188,665.05 |
| 14 | \$111,228.60 | \$158,845.05 | \$206,460.45 |
| 15 | \$122,352.30 | \$174,195.00 | \$226,037.70 |
| 16 | \$134,586.90 | \$191,080.05 | \$247,572.15 |
| 17 | \$148,045.80 | \$209,652.45 | \$271,259.10 |

Pay Grade Changes

Current Technology Salary Ranges

| Grade | Min | Mid | Max |
|-------|--------------|--------------|--------------|
| T1 | \$39,819.00 | \$60,017.00 | \$80,215.00 |
| T2 | \$43,800.00 | \$65,508.00 | \$87,217.00 |
| T3 | \$48,180.00 | \$71,550.00 | \$94,920.00 |
| T4 | \$52,998.00 | \$78,196.00 | \$103,394.00 |
| T5 | \$58,298.00 | \$85,505.00 | \$112,712.00 |
| T6 | \$64,128.00 | \$93,547.00 | \$122,966.00 |
| T7 | \$70,541.00 | \$102,393.00 | \$134,243.00 |
| T8 | \$77,595.00 | \$112,121.00 | \$146,648.00 |
| T9 | \$85,356.00 | \$122,825.00 | \$160,294.00 |
| T10 | \$93,889.00 | \$134,596.00 | \$175,304.00 |
| T11 | \$103,280.00 | \$147,547.00 | \$191,815.00 |
| T12 | \$113,607.00 | \$161,792.00 | \$209,978.00 |
| T13 | \$124,967.00 | \$177,463.00 | \$229,957.00 |
| T14 | \$137,464.00 | \$195,208.00 | \$252,952.00 |

Technology Salary Ranges with 5% increase effective 6/10/23

| Grade | Min | Mid | Max |
|-------|--------------|--------------|--------------|
| T1 | \$41,809.95 | \$63,017.85 | \$84,225.75 |
| T2 | \$45,990.00 | \$68,783.40 | \$91,577.85 |
| T3 | \$50,589.00 | \$75,127.50 | \$99,666.00 |
| T4 | \$55,647.90 | \$82,105.80 | \$108,563.70 |
| T5 | \$61,212.90 | \$89,780.25 | \$118,347.60 |
| T6 | \$67,334.40 | \$98,224.35 | \$129,114.30 |
| T7 | \$74,068.05 | \$107,512.65 | \$140,955.15 |
| T8 | \$81,474.75 | \$117,727.05 | \$153,980.40 |
| T9 | \$89,623.80 | \$128,966.25 | \$168,308.70 |
| T10 | \$98,583.45 | \$141,325.80 | \$184,069.20 |
| T11 | \$108,444.00 | \$154,924.35 | \$201,405.75 |
| T12 | \$119,287.35 | \$169,881.60 | \$220,476.90 |
| T13 | \$131,215.35 | \$186,336.15 | \$241,454.85 |
| T14 | \$144,337.20 | \$204,968.40 | \$265,599.60 |

Pay Grade Changes

Administrative Salary Ranges – CBIZ Recommendations Effective 5/10/23

| Grade | Min | Midpoint | Max | Range Spread | Midpoint Differential |
|-------|--------------|--------------|--------------|--------------|-----------------------|
| 1 | \$38,502.06 | \$46,202.47 | \$53,902.88 | 0.4 | |
| 2 | \$42,352.26 | \$50,822.71 | \$59,293.17 | 0.4 | 0.1 |
| 3 | \$46,587.49 | \$55,904.99 | \$65,222.48 | 0.4 | 0.1 |
| 4 | \$51,246.24 | \$61,495.48 | \$71,744.73 | 0.4 | 0.1 |
| 5 | \$56,370.86 | \$67,645.03 | \$78,919.20 | 0.4 | 0.1 |
| 6 | \$62,007.95 | \$74,409.54 | \$86,811.13 | 0.4 | 0.1 |
| 7 | \$66,816.73 | \$81,850.49 | \$96,884.25 | 0.45 | 0.1 |
| 8 | \$73,498.40 | \$90,035.54 | \$106,572.68 | 0.45 | 0.1 |
| 9 | \$80,848.24 | \$99,039.09 | \$117,229.95 | 0.45 | 0.1 |
| 10 | \$87,154.40 | \$108,943.00 | \$130,731.60 | 0.5 | 0.1 |
| 11 | \$95,869.84 | \$119,837.30 | \$143,804.76 | 0.5 | 0.1 |
| 12 | \$107,853.57 | \$134,816.96 | \$161,780.36 | 0.5 | 0.125 |
| 13 | \$121,335.27 | \$151,669.08 | \$182,002.90 | 0.5 | 0.125 |
| 14 | \$136,799.57 | \$174,419.45 | \$212,039.33 | 0.55 | 0.15 |
| 15 | \$157,319.50 | \$200,582.36 | \$243,845.23 | 0.55 | 0.15 |
| 16 | \$180,917.43 | \$230,669.72 | \$280,422.01 | 0.55 | 0.15 |

Administrative Salary Ranges – CBIZ Recommendations - with 5% Increase Effective 6/10/23

| Grade | Min | Midpoint | Max |
|-------|--------------|--------------|--------------|
| 1 | \$40,427.16 | \$48,512.59 | \$56,598.02 |
| 2 | \$44,469.87 | \$53,363.85 | \$62,257.82 |
| 3 | \$48,916.86 | \$58,700.23 | \$68,483.61 |
| 4 | \$53,808.55 | \$64,570.26 | \$75,331.97 |
| 5 | \$59,189.40 | \$71,027.28 | \$82,865.17 |
| 6 | \$65,108.34 | \$78,130.01 | \$91,151.68 |
| 7 | \$70,157.56 | \$85,943.01 | \$101,728.47 |
| 8 | \$77,173.32 | \$94,537.32 | \$111,901.31 |
| 9 | \$84,890.65 | \$103,991.05 | \$123,091.44 |
| 10 | \$91,512.12 | \$114,390.15 | \$137,268.18 |
| 11 | \$100,663.33 | \$125,829.17 | \$150,995.00 |
| 12 | \$113,246.25 | \$141,557.81 | \$169,869.38 |
| 13 | \$127,402.03 | \$159,252.54 | \$191,103.05 |
| 14 | \$143,639.55 | \$183,140.42 | \$222,641.30 |
| 15 | \$165,185.48 | \$210,611.48 | \$256,037.49 |
| 16 | \$189,963.30 | \$242,203.21 | \$294,443.11 |

Pay Grade Changes

Technology Salary Ranges – CBIZ Recommendations Effective 5/10/23

| Grade | Min | Midpoint | Max | Range Spread | Midpoint Differential |
|-------|--------------|--------------|--------------|--------------|-----------------------|
| T1 | \$52,487.27 | \$62,984.72 | \$73,482.18 | 0.4 | |
| T2 | \$57,736.00 | \$69,283.19 | \$80,830.39 | 0.4 | 0.1 |
| T3 | \$63,509.60 | \$76,211.51 | \$88,913.43 | 0.4 | 0.1 |
| T4 | \$69,860.55 | \$83,832.67 | \$97,804.78 | 0.4 | 0.1 |
| T5 | \$76,846.61 | \$92,215.93 | \$107,585.25 | 0.4 | 0.1 |
| T6 | \$84,531.27 | \$101,437.53 | \$118,343.78 | 0.4 | 0.1 |
| T7 | \$91,086.76 | \$111,581.28 | \$132,075.80 | 0.45 | 0.1 |
| T8 | \$100,195.43 | \$122,739.41 | \$145,283.38 | 0.45 | 0.1 |
| T9 | \$110,214.98 | \$135,013.35 | \$159,811.72 | 0.45 | 0.1 |
| T10 | \$118,811.74 | \$148,514.68 | \$178,217.62 | 0.5 | 0.1 |
| T11 | \$130,692.92 | \$163,366.15 | \$196,039.38 | 0.5 | 0.1 |
| T12 | \$143,762.21 | \$179,702.76 | \$215,643.32 | 0.5 | 0.1 |
| T13 | \$158,138.43 | \$197,673.04 | \$237,207.65 | 0.5 | 0.1 |
| T14 | \$170,541.45 | \$217,440.34 | \$264,339.24 | 0.55 | 0.1 |

Technology Salary Ranges – CBIZ Recommendations - with 5% Increase Effective 6/10/23

| Grade | Min | Midpoint | Max |
|-------|--------------|--------------|--------------|
| T1 | \$55,111.63 | \$66,133.96 | \$77,156.29 |
| T2 | \$60,622.80 | \$72,747.35 | \$84,871.91 |
| T3 | \$66,685.07 | \$80,022.09 | \$93,359.10 |
| T4 | \$73,353.58 | \$88,024.30 | \$102,695.02 |
| T5 | \$80,688.94 | \$96,826.73 | \$112,964.52 |
| T6 | \$88,757.83 | \$106,509.40 | \$124,260.97 |
| T7 | \$95,641.10 | \$117,160.34 | \$138,679.59 |
| T8 | \$105,205.20 | \$128,876.38 | \$152,547.55 |
| T9 | \$115,725.73 | \$141,764.01 | \$167,802.30 |
| T10 | \$124,752.33 | \$155,940.42 | \$187,128.50 |
| T11 | \$137,227.57 | \$171,534.46 | \$205,841.35 |
| T12 | \$150,950.32 | \$188,687.90 | \$226,425.48 |
| T13 | \$166,045.35 | \$207,556.69 | \$249,068.03 |
| T14 | \$179,068.52 | \$228,312.36 | \$277,556.20 |

Additional Pay Plan Adjustments

VRS Current Administration and Technology Plan allows for:

In Grade Salary Adjustments: An increase in base pay to ensure competitiveness, retention and to recognize increased skills, abilities, knowledge, or responsibilities outside of the position classification process.

- **Market Adjustment:** 1% - 10%
- **Internal Alignment Adjustment:** 1% - 10%
- **Individual Accomplishment Adjustment:** 1% - 10%
- **Skill Acquisition and Application Adjustment:** 1% - 10%



Additional Pay Plan Adjustments:

Recommendation to add In-grade Salary Adjustments for the following reasons (consistent with recent changes to DHRM Compensation Policy 3.05):

- **Change in Job Duties Adjustment:** May be awarded to an employee who assumes new higher-level duties and responsibilities critical to agency operations. 1% - 10%
- **Retention Adjustment:** May be granted to prevent employees from seeking employment outside the agency; employees in high value occupations; employees assigned to key functions. 1%-10%



Defining the Employee Value Proposition

Designing the employee experience that will help the right talent join, stay and deliver their best.



source: Mercer.com

Thank you!
Any Questions?

Appendix



Recruitment and Attraction

Current Vacancies

56

Active Recruitments (FY to date)

79

Turnover

| FY | Head count | Vol Turnover | Total Turnover |
|------|------------|--------------|----------------|
| 2018 | 329 | 27 | 0.080 |
| 2019 | 338 | 22 | 0.070 |
| 2020 | 344 | 29 | 0.080 |
| 2021 | 349 | 14 | 0.040 |
| 2022 | 348 | 37 | 0.110 |
| 2023 | 358 | 29 | 0.080 |

Challenges

- **Positions harder to fill**
Labor shortage; fewer qualified applicants
- **Time to hire varies**
Some positions take longer to fill
- **“Domino Effect”**
Can occur due to promoting from within
- **Unique challenges**
ex. CCC – Difficulty retaining new hires
- **Recruitment is more complex**
Counter-offers; applicants desire greater flexibility; work/life balance; post-COVID
- **More movement in the job market**
*“Revolving door;” emphasis on attraction **and** retention*



Efforts to Meet Challenges

Greater Efficiency in the Recruitment Process

Spark Hire Virtual Interviews

- Implemented during pandemic
- Applicants video themselves responding to questions
- Allows hiring managers to determine who is qualified prior to interview

New state-wide recruitment system – PageUp

HR and CCC Leadership partnered to:

- Develop greater process efficiency
Emphasis on applicant screening and interview scheduling
- Identify and attend demos of skills assessment systems for contact centers
With the goal of procuring the best system to assess success of CCC applicants

Increased emphasis on VRS as an employer and marketing specific job vacancies

Careers page on the VRS web site : HR partnered with PR

- Highlights VRS' unique culture.
- Excellent videos and employee testimonials.
- Emphasizes VRS' current hybrid work model and VRS benefits.
- VRS' current job vacancies and how to apply.
- We have received excellent feedback.

Positions advertised on the state's recruitment system and Indeed

- Two vacancies highlighted each month on LinkedIn.
- HR collaborates with hiring managers to identify specialized job sites for specific vacancies.
- Relationship-building with local colleges/universities.

Comprehensive Onboarding Initiative

Revised new employee orientation to have an increased focus on:

- VRS culture
- Understanding the business of VRS
- Core competencies and expectations
- Strategic plan, policies and benefits

New hire survey: Obtains feedback from new employees about the process.

Manager's Checklist: Assists managers with onboarding.

Meet the Director: Employees have a dialogue and discussion with the VRS Director during their first quarter of employment.



Enhanced focus on professional development and growth/compensation

EDGE (Empower, Develop, Grow and Engage) is a comprehensive training and development initiative focused on VRS' culture and core competencies.

Training offered specifically for managers and individual contributors.

Feedback has been overwhelmingly positive!

Planning has already begun for classes for next fiscal year, including manager training on recruiting and the onboarding process.



Enhanced focus on professional development and growth and compensation

Job descriptions updated

- **Market Study** of pay grades and salary ranges
- **Recommendations** for competitive grade and range changes shared with AFT and Board
- **Allows greater movement** within grades; plan based on skill development recognition
- **Aligns** with recent DHRM changes
- **Lays foundation** for career ladders within most admin and tech job classifications
- **Template for career ladders** already created and implemented in DC Plans



Enhanced focus on employee engagement

- **Celebrating employees** at Annual Meeting, Public Service Week and Customer Service Week
- **DEC Food/Beverage Cart** distribution periodically to all VRS buildings grades; plan based on skill development recognition
- **Facilitating focus groups** to obtain feedback from employees on the hybrid work schedule
- **Continued emphasis on professional development and compensation** has a direct positive impact on employee satisfaction and engagement





VIRGINIA RETIREMENT SYSTEM
HUMAN RESOURCES POLICIES AND PROCEDURES

Title: ADMINISTRATIVE PAY PLAN

Policy Number: 3.10

Supersedes:

~~06/10/2021~~07/10/2022

Effective Date:

~~07/10/2022~~05/10/2023

I. Authority

The Director is authorized under the Appropriation Act to use agency funds or funds appropriated, if any, to implement the provisions of new or existing performance-based pay plans.

II. Purpose

The purpose of the Administrative Pay Plan (Plan) is to attract, motivate and retain skilled employees within a compensation framework that is competitive with the external market, internally equitable and performance based. VRS is committed to providing a total rewards package tied to the attainment of individual and team results and the achievement of organizational goals.

III. Policy

The Plan applies to all full and part-time (non-wage) employees who work under the administrative and audit authorities of VRS. Wage employees' pay complies with the provisions of the state classification and pay plan. The Plan ensures that agency salaries are competitive with the market average of a mix of public and private sector organizations. Comparative market salary data is typically reviewed every two (2) years to ensure competitiveness of the salary structure.

The Plan includes ~~17-16~~ salary grades for general classifications and 14 salary grades for technology classifications as identified in Appendix 1.

There is a broad span between the minimum and maximum salary of each salary grade to allow, in most cases, for salary growth or other possible adjustments over an employee's span of employment.

IV. Procedure

A. Job Placement

Placement of jobs in each grade is determined by measuring the degree of expertise and accountability required for each position in four areas:

1. **Knowledge and Expertise** measures the amount and depth of knowledge, experience and skills necessary for functioning effectively in a specified role. This expertise may be in technical disciplines, procedures specific to the organization, ability to use certain equipment, and/or management responsibility for planning, organizing and integrating the work of others.

2. **Complexity and Conceptual Thinking** measures the amount of analytical and problem-solving skills required in the position to evaluate and diagnose differing situations and devise new approaches relating to the organization as a whole and/or its business strategies.
3. **Contribution and Impact** measures the breadth of the position's contribution to the advancement of VRS' vision, "To be the trusted leader in the delivery of benefits and services to those we serve." This ranges from improving work processes in the work unit to influencing agency-wide results.
4. **Effective Communication** measures the position's requirements for interacting with and/or influencing coworkers, team members, contacts in other units/departments, members, retirees or contacts outside the organization.

Each job is evaluated in objective terms, not only to ascertain its demands on the individual, but also to determine its worth in comparison to other jobs in the agency and its importance to VRS' success.

Salary ranges are established for all grades by recognizing the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs used by the agency in addition to comparing salaries paid for similar classifications in private and public sectors. The salary range for a job includes a minimum, midpoint and maximum salary.

- **Minimum** is the lowest salary paid for a position within the salary grade.
- **Midpoint** is the median salary for the grade.
- **Maximum** is the highest salary paid for a position within the salary grade.

Individual performance, time in the position, previous related work experience, and other factors can influence earnings that are higher or lower than the midpoint.

The expectation is that employees with salaries closer to the maximum for their position are more tenured, have been a consistently exceptional performer, or have more work experience.

During the job placement process, Fair Labor Standards Act (FLSA) exemption statuses (exempt or non-exempt) are determined based on the FLSA job duties test.

B. Starting Salary

The respective member of the Director's Executive Committee (DEC) approves the hiring salary range when the recruitment is formally requested. Hiring supervisors and second line supervisors recommend the starting salary for new employees and the respective member of the DEC approves the starting salary, in coordination with the human resources director.

The salaries paid to employees in the department; the candidate's education, skills, work experience; and salary history are typically considered when determining the appropriate salary to offer a candidate. Starting salaries typically do not exceed the salary grade midpoint. Additional justification is required to support offering salaries above the midpoint.

C. Salary Adjustments

1. Introductory Increases

The introductory period for new employees is 12 months from the date of hire. The introductory period serves as an adjustment period for employees to establish a working relationship with their supervisors, to acclimate to their new job duties and to learn about VRS.

When employees successfully complete the introductory period, they typically receive a pay increase of 2% if they are at least meeting expectations.

The Performance Management Policy outlines details.

2. Promotions

A promotion occurs when an employee transitions to a different position assigned to a higher salary grade. A promotion can be competitive (selected through a recruitment and hiring process) or non-competitive (i.e., through the career development process).

When employees compete and are hired into a job in a higher grade, they are typically eligible for a salary increase between 5% and 15%. Any exception requires additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

For non-competitive promotions, the salary will be subject to review to ensure internal equity. Promotional salaries must be at or above the minimum of the new salary grade. Promotional pay cannot place an employees' salary above the maximum of the salary grade.

3. Lateral

A lateral occurs when an employee moves into a position with a different job title and classification which is in the same salary grade. This movement constitutes a lateral move or a transfer.

For a competitive (posted and selected) lateral move/transfer, a salary increase may be considered only if duties of the new position are substantially different. If an increase is approved the increase amount shall not exceed 5%, provided the increase does not exceed the maximum salary range. Any exception to this guideline requires additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

4. Downward Assignments (Voluntary or Involuntary)

Downward assignments occur when an employee transitions to a position within a salary grade lower than the current grade.

- **Voluntary** – An employee-initiated request to transition to a position within a lower salary grade.
- **Involuntary** – A management-initiated request to transition an employee to a position within a lower salary grade, typically due to performance, corrective action or restructuring.

A downward assignment would typically result in the salary being placed at any pay rate within the lower classification, not to exceed the maximum or fall below the minimum of the new salary range.

Any exception to this guideline will require additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

In unique situations, such as job abolishment or agency reorganization, an employee's salary may exceed the maximum of the lower grade and the salary remain unchanged. Salaries remain frozen until market adjustments allow additional increases (red-circle). These employees remain eligible to receive applicable performance or gainsharing bonus awards if performance criteria are met.

5. Job Reclassifications

Job reclassifications occur when the employee's duties and responsibilities change substantially, which may result in a different pay grade. Reclassification is based on job content and not the performance of the incumbent. Job studies are performed by human resources, with input by management.

Reclassification Upward: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within a higher salary grade.

Employees typically receive salary increases between 2% and 15%. Reclassification increases are approved by the appropriate DEC member, in coordination with the human resources director. Salaries must be at or above the minimum of the new pay grade.

Reclassification Laterally: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within the same salary grade.

No salary increase is awarded. Any exception to this guideline will require additional justification, an internal equity review, and approval of the appropriate DEC member, in coordination with the human resources director.

Reclassification Downward: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within a lower salary grade.

6. Regrade

Regrades occur when the classification is determined to warrant a different pay grade. This is typically determined by a market analysis or internal classification review, performed by HR in coordination with the DEC member.

Employees typically receive salary increases between 2% and 15%. Regrade increases are approved by the appropriate DEC member, in coordination with human resources. Salaries must be at or above the minimum of the new pay grade.

7. Acting Pay

Acting pay is provided when an employee is temporarily assigned to assume the responsibilities of a position in a higher salary grade.

Less Than Two Years Duration: The employee will receive at least a 5% salary adjustment while serving in an acting position. If the 5% increase does not place the employee at the minimum salary of the acting position, the salary must be increased to the minimum of the acting range. The acting amount shall not exceed the maximum of the acting range. When the employee returns to the former position, his or her salary will be reduced by the dollar amount received while performing the “acting” job responsibilities.

Beyond Two Years Duration: When employees are deemed to be “acting” by performing the full duties of a position for more than two years, the supervisor may choose to promote the individual without going through a competitive process. If the employee is promoted, the employee is eligible for a promotional increase. Otherwise, the position will be open for recruitment. The permanent filling of the position may involve no change in current salary or could include a pay increase, depending upon the circumstances and available budget.

If an employee is acting in a position that is the same salary grade, acting pay would not be provided unless there is sufficient justification to support that the duties of the acting position are substantially different.

8. In-grade

In-grade salary adjustments occur when employees receive an increase in base pay to ensure competitiveness, retention, and to recognize increased skills, abilities, knowledge, or responsibilities outside of the position classification process. These adjustments should only be provided once per fiscal year. Listed below are the categories and descriptions of in-grade salary adjustments.

Market adjustment: Warranted in cases where external market forces exist due to high demand for a particular skill or position which may result in significantly higher turnover. Market adjustments may also occur if it is determined that an individual’s salary is significantly lower than market study findings. Salary adjustments can apply to an individual or classification of employees to ensure competitiveness and retention of staff. An in-grade adjustment of 1% to 10% of salary is typically provided.

Internal alignment adjustment: Warranted when employees’ salaries are unusually low or out of comparability with other employees in the work unit. Factors considered include experience, education, knowledge, skills and abilities. An in-grade adjustment of 1% to 10% of salary is typically provided.

Individual accomplishment adjustment: May be awarded to recognize the attainment of a higher level of expertise through professional certification requiring continuing education credits (CEUs). In-grade adjustments are awarded at the time of the original certification. If the certification does not require CEUs, an in-grade adjustment will not be provided; however, a bonus may be considered. Additionally, an in-grade adjustment for completion of a degree that relates to a current or career path position may be provided. Other similar situations may be considered as justification for an individual accomplishment adjustment. An in-grade adjustment of 1% to 10% of salary is typically provided.

Skill acquisition and application adjustment: May be awarded to recognize the acquisition and application of relevant, pre-defined, job-based skills, resulting in increased value to the organization.

Typically, an Individual Development Plan identifies the needed skills and the skill acquisition plan. Formal assessments, through testing or demonstration of the skills acquired and applied to the job, may result in an in-grade adjustment. An in-grade adjustment of 1% to 4% of salary is typically provided.

~~The employee's supervisor must request the in-grade adjustment in writing and include documentation supporting the need for a pay adjustment. The respective DEC member approves in-grade adjustments, in coordination with the human resources director.~~

~~When an employee's salary is at or above the salary maximum for his/her job grade, a bonus payment may be awarded. The respective member of the DEC approves the bonus, in coordination with the human resources director.~~

Change in job duties adjustment: May be awarded to an employee who assumes new higher level duties and responsibilities that are critical to the operations of the agency. An in-grade adjustment of 1% to 10% of salary is typically provided.

Retention adjustment: May be granted to prevent employees from seeking employment outside the agency including:

a. Employees in occupations that have high value in the labor market when salaries have not been competitive with the marketplace. In such cases, the adjustment is normally granted to all employees in a particular occupation or functional area to avoid turnover.

b. Individual employees who are assigned to key functions.

An in-grade adjustment of 1% to 10% of salary is typically provided.

The employee's supervisor must request the in-grade adjustment in writing and include documentation supporting the need for a pay adjustment. The respective DEC member approves in-grade adjustments, in coordination with the human resources director.

When an employee's salary is at or above the salary maximum for his/her job grade, a bonus payment may be awarded. The respective member of the DEC approves the bonus, in coordination with the human resources director.

9. Competitive

A competitive pay increase is an option available to supervisors to retain top performers, who have received an external job offer, when the loss is determined to be detrimental to the organization. Employees must furnish a copy of the respective job offer.

The supervisor requests, in writing, a competitive pay increase and includes documentation supporting the need for an adjustment and justification for the increase. The respective member of the DEC approves the increase, in coordination with the human resources director.

Competitive pay increases apply to base salary and may not exceed the salary maximum for the salary range. In extraordinary circumstances, when an employee's base salary is at maximum, a bonus is an option. In these situations, the respective member of the DEC, in coordination with the human resources director, submits the request for agency director approval.

10. Increases Governed by the Appropriations Act

VRS will implement pay actions consistent with the provisions of the Appropriation Act.

D. Bonuses

1. Sign-on

Sign-on bonuses may be provided to qualified external candidates when the position is determined to be hard-to-fill, or when there is a demonstrated need to provide supplemental pay to compete with the market.

The amount of the sign-on bonus will vary depending on the position and the supply of candidates. The amount of the bonus typically ranges from 1% to 20% of the midpoint of the salary range.

Fifty percent of the sign-on bonus will be paid in the first paycheck with the remainder of the bonus being paid following the successful completion of the one year introductory period.

Refer to the **Employee Sign-on Bonus Program Policy**.

2. Referral

Referral bonuses may be provided to full and part-time employees who refer a candidate hired into a full-time position.

The amount of the referral bonus is \$1,000. Fifty percent is paid in the paycheck following the referred employee's first full pay cycle with the remainder of the bonus being paid following the successful completion of the referred employee's introductory period.

Refer to the **Employee Referral Program Policy**.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of performance bonuses under this plan is not guaranteed.

3. Performance

Performance bonuses are provided agency wide following the annual review process.

Subject to the approval of the VRS Board of Trustees, eligible employees who receive an overall rating of "exceptional" will receive a 4% bonus and employees who receive an overall rating of "exceeds" will receive a 2% bonus, based on their salary as of June 30. Employees who receive an overall "meets," "does not meet" or "needs improvement" rating will not receive a performance bonus.

The performance cycle and thus, bonus payments, align with the fiscal year, July 1 through June 30.

The **Performance Management Policy** outlines details.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of performance bonuses under this plan is not guaranteed.

4. Gainsharing

Gainsharing bonuses are provided when it is determined the agency has successfully attained the Agency Performance Outcomes (APO) and Operational Measures (OM).

Subject to the approval of the VRS Board of Trustees, attainment of the APOs and OMs may result in eligible employees receiving a lump-sum bonus of 2.5%, or other amount determined by the Board, based on their salary as of June 30.

The **Performance Management Policy** outlines details.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of gainsharing bonuses under this plan is not guaranteed.

5. Employee Recognition Bonus

Employee recognition bonuses may be provided to full and part-time employees for individual or team accomplishments typically associated with special projects, process improvements, innovation or other outstanding accomplishments.

Bonuses range from \$50 to \$5,000 depending upon the value of individual or team accomplishments.

Bonuses up to and including \$1,000 require approval by the appropriate DEC member. Special Recognition Bonuses, above \$1,000 through \$5,000, require approval by the DEC member and Agency Director, Chief Investment Officer, or Internal Audit Director. The fiscal year bonus cap is \$5,000 per employee.

The **Recognition and Awards Program Policy** outlines details.

V. Additional Information

A. VRS Pay Plans

In addition to the Administrative Pay Plan, VRS maintains several other pay plans to meet specific employment and compensation needs. These plans are as follows:

- **Investment Professionals' Pay Plan** - This pay plan is separate from the administrative plan and includes its own salary and classification structure as well as incentive pay guidelines.
- **Investment Operations and Administration Staff Pay Plan** - This pay plan is separate from the administrative plan and includes its own salary and classification structure.
- **Executive Pay Plan** – This pay plan provides the annual salary and bonus amounts provided to the Agency Director, Chief Investment Officer and Audit Director by the VRS Board of Trustees.

B. Key Terms

FLSA - The Fair Labor Standards Act

Exempt – Employees who are not covered by or are exempted from the minimum wage and overtime provisions of the Fair Labor Standards Act

Non-exempt – Employees who are subject to the minimum wage and overtime provisions of the Fair Labor Standards Act

Salary grade – A series of specific pay rates assigned to a classification as the compensation for that classification

Pay rate – A specific dollar amount, expressed as either an annual or hourly rate

Red-circle – A designation for salaries that exceed the maximum of a specified salary range. Employees are not eligible for further base pay increases until the range maximum surpasses the employee's salary.

APPENDIX 1 – PAY RANGES – Effective 5/10/2023

| Administrative SALARY RANGES | | | |
|---|--|--|--|
| Grade | Min | Mid | Max |
| 1 | \$28,194 <u>38,502</u> | \$44,002 <u>46,202</u> | \$59,811 <u>53,902</u> |
| 2 | \$32,858 <u>42,352</u> | \$50,438 <u>50,822</u> | \$68,019 <u>59,293</u> |
| 3 | \$36,142 <u>46,587</u> | \$54,972 <u>55,904</u> | \$73,801 <u>65,222</u> |
| 4 | \$39,757 <u>51,246</u> | \$59,960 <u>61,495</u> | \$80,162 <u>71,744</u> |
| 5 | \$43,733 <u>56,370</u> | \$65,445 <u>67,645</u> | \$87,159 <u>78,919</u> |
| 6 | \$48,107 <u>62,007</u> | \$71,481 <u>74,409</u> | \$94,856 <u>86,811</u> |
| 7 | \$54,361 <u>66,816</u> | \$80,112 <u>81,850</u> | \$105,863 <u>96,884</u> |
| 8 | \$59,798 <u>73,498</u> | \$87,613 <u>90,035</u> | \$115,429 <u>106,572</u> |
| 9 | \$65,776 <u>80,848</u> | \$95,865 <u>99,039</u> | \$125,955 <u>117,229</u> |
| 10 | \$72,352 <u>87,154</u> | \$104,941 <u>108,943</u> | \$137,530 <u>130,731</u> |
| 11 | \$79,588 <u>95,869</u> | \$114,927 <u>119,837</u> | \$150,266 <u>143,806</u> |
| 12 | \$87,548 <u>107,853</u> | \$125,910 <u>134,816</u> | \$164,271 <u>161,780</u> |
| 13 | \$96,302 <u>121,335</u> | \$137,991 <u>151,669</u> | \$179,681 <u>182,002</u> |
| 14 | \$105,932 <u>136,799</u> | \$151,281 <u>174,419</u> | \$196,629 <u>212,039</u> |
| 15 | \$116,526 <u>157,319</u> | \$165,900 <u>200,582</u> | \$215,274 <u>243,845</u> |
| 16 | \$128,178 <u>180,917</u> | \$181,981 <u>230,669</u> | \$235,783 <u>280,422</u> |
| 17 | \$140,996 | \$199,669 | \$258,342 |

| Technology SALARY RANGES | | | |
|-------------------------------------|--|--|--|
| Grade | Min | Mid | Max |
| T1 | \$39,819 <u>52,487</u> | \$60,017 <u>62,984</u> | \$80,215 <u>73,482</u> |
| T2 | \$43,800 <u>57,736</u> | \$65,508 <u>69,283</u> | \$87,217 <u>80,830</u> |
| T3 | \$48,180 <u>63,509</u> | \$71,550 <u>76,211</u> | \$94,920 <u>88,913</u> |
| T4 | \$52,998 <u>69,860</u> | \$78,196 <u>83,832</u> | \$103,394 <u>97,804</u> |
| T5 | \$58,298 <u>76,846</u> | \$85,505 <u>92,215</u> | \$112,712 <u>107,585</u> |
| T6 | \$64,128 <u>84,531</u> | \$93,547 <u>101,437</u> | \$122,966 <u>118,343</u> |
| T7 | \$70,541 <u>91,086</u> | \$102,393 <u>111,581</u> | \$134,243 <u>132,075</u> |
| T8 | \$77,595 <u>100,195</u> | \$112,121 <u>122,739</u> | \$146,648 <u>145,283</u> |
| T9 | \$85,356 <u>110,214</u> | \$122,825 <u>135,013</u> | \$160,294 <u>159,811</u> |
| T10 | \$93,889 <u>118,811</u> | \$134,596 <u>148,514</u> | \$175,304 <u>178,217</u> |
| T11 | \$103,280 <u>130,692</u> | \$147,547 <u>163,366</u> | \$191,815 <u>196,039</u> |
| T12 | \$113,607 <u>143,762</u> | \$161,792 <u>179,702</u> | \$209,978 <u>215,643</u> |
| T13 | \$124,967 <u>158,138</u> | \$177,463 <u>197,673</u> | \$229,957 <u>237,207</u> |
| T14 | \$137,464 <u>170,541</u> | \$195,208 <u>217,440</u> | \$252,952 <u>264,339</u> |



VIRGINIA RETIREMENT SYSTEM
HUMAN RESOURCES POLICIES AND PROCEDURES

Title: ADMINISTRATIVE PAY PLAN

Policy Number: 3.10

Supersedes: 07/10/2022

Effective Date:

0506/10/2023

I. Authority

The Director is authorized under the Appropriation Act to use agency funds or funds appropriated, if any, to implement the provisions of new or existing performance-based pay plans.

II. Purpose

The purpose of the Administrative Pay Plan (Plan) is to attract, motivate and retain skilled employees within a compensation framework that is competitive with the external market, internally equitable and performance based. VRS is committed to providing a total rewards package tied to the attainment of individual and team results and the achievement of organizational goals.

III. Policy

The Plan applies to all full and part-time (non-wage) employees who work under the administrative and audit authorities of VRS. Wage employees' pay complies with the provisions of the state classification and pay plan. The Plan ensures that agency salaries are competitive with the market average of a mix of public and private sector organizations. Comparative market salary data is typically reviewed every two (2) years to ensure competitiveness of the salary structure.

The Plan includes 16 salary grades for general classifications and 14 salary grades for technology classifications as identified in Appendix 1.

There is a broad span between the minimum and maximum salary of each salary grade to allow, in most cases, for salary growth or other possible adjustments over an employee's span of employment.

IV. Procedure

A. Job Placement

Placement of jobs in each grade is determined by measuring the degree of expertise and accountability required for each position in four areas:

1. **Knowledge and Expertise** measures the amount and depth of knowledge, experience and skills necessary for functioning effectively in a specified role. This expertise may be in technical disciplines, procedures specific to the organization, ability to use certain equipment, and/or management responsibility for planning, organizing and integrating the work of others.

2. **Complexity and Conceptual Thinking** measures the amount of analytical and problem-solving skills required in the position to evaluate and diagnose differing situations and devise new approaches relating to the organization as a whole and/or its business strategies.
3. **Contribution and Impact** measures the breadth of the position's contribution to the advancement of VRS' vision, "To be the trusted leader in the delivery of benefits and services to those we serve." This ranges from improving work processes in the work unit to influencing agency-wide results.
4. **Effective Communication** measures the position's requirements for interacting with and/or influencing coworkers, team members, contacts in other units/departments, members, retirees or contacts outside the organization.

Each job is evaluated in objective terms, not only to ascertain its demands on the individual, but also to determine its worth in comparison to other jobs in the agency and its importance to VRS' success.

Salary ranges are established for all grades by recognizing the level of education, knowledge, skill, and experience needed to perform each job. The salary range demonstrates the interrelationships of the jobs used by the agency in addition to comparing salaries paid for similar classifications in private and public sectors. The salary range for a job includes a minimum, midpoint and maximum salary.

- **Minimum** is the lowest salary paid for a position within the salary grade.
- **Midpoint** is the median salary for the grade.
- **Maximum** is the highest salary paid for a position within the salary grade.

Individual performance, time in the position, previous related work experience, and other factors can influence earnings that are higher or lower than the midpoint.

The expectation is that employees with salaries closer to the maximum for their position are more tenured, have been a consistently exceptional performer, or have more work experience.

During the job placement process, Fair Labor Standards Act (FLSA) exemption statuses (exempt or non-exempt) are determined based on the FLSA job duties test.

B. Starting Salary

The respective member of the Director's Executive Committee (DEC) approves the hiring salary range when the recruitment is formally requested. Hiring supervisors and second line supervisors recommend the starting salary for new employees and the respective member of the DEC approves the starting salary, in coordination with the human resources director.

The salaries paid to employees in the department; the candidate's education, skills, work experience; and salary history are typically considered when determining the appropriate salary to offer a candidate. Starting salaries typically do not exceed the salary grade midpoint. Additional justification is required to support offering salaries above the midpoint.

C. Salary Adjustments

1. Introductory Increases

The introductory period for new employees is 12 months from the date of hire. The introductory period serves as an adjustment period for employees to establish a working relationship with their supervisors, to acclimate to their new job duties and to learn about VRS.

When employees successfully complete the introductory period, they typically receive a pay increase of 2% if they are at least meeting expectations.

The Performance Management Policy outlines details.

2. Promotions

A promotion occurs when an employee transitions to a different position assigned to a higher salary grade. A promotion can be competitive (selected through a recruitment and hiring process) or non-competitive (i.e., through the career development process).

When employees compete and are hired into a job in a higher grade, they are typically eligible for a salary increase between 5% and 15%. Any exception requires additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

For non-competitive promotions, the salary will be subject to review to ensure internal equity. Promotional salaries must be at or above the minimum of the new salary grade. Promotional pay cannot place an employees' salary above the maximum of the salary grade.

3. Lateral

A lateral occurs when an employee moves into a position with a different job title and classification which is in the same salary grade. This movement constitutes a lateral move or a transfer.

For a competitive (posted and selected) lateral move/transfer, a salary increase may be considered only if duties of the new position are substantially different. If an increase is approved the increase amount shall not exceed 5%, provided the increase does not exceed the maximum salary range. Any exception to this guideline requires additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

4. Downward Assignments (Voluntary or Involuntary)

Downward assignments occur when an employee transitions to a position within a salary grade lower than the current grade.

- **Voluntary** – An employee- initiated request to transition to a position within a lower salary grade.
- **Involuntary** – A management- initiated request to transition an employee to a position within a lower salary grade, typically due to performance, corrective action or restructuring.

A downward assignment would typically result in the salary being placed at any pay rate within the lower classification, not to exceed the maximum or fall below the minimum of the new salary range.

Any exception to this guideline will require additional justification, an internal equity review and approval of the appropriate DEC member and the director of human resources.

In unique situations, such as job abolishment or agency reorganization, an employee's salary may exceed the maximum of the lower grade and the salary remain unchanged. Salaries remain frozen until market adjustments allow additional increases (red-circle). These employees remain eligible to receive applicable performance or gainsharing bonus awards if performance criteria are met.

5. Job Reclassifications

Job reclassifications occur when the employee's duties and responsibilities change substantially, which may result in a different pay grade. Reclassification is based on job content and not the performance of the incumbent. Job studies are performed by human resources, with input by management.

Reclassification Upward: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within a higher salary grade.

Employees typically receive salary increases between 2% and 15%. Reclassification increases are approved by the appropriate DEC member, in coordination with the human resources director. Salaries must be at or above the minimum of the new pay grade.

Reclassification Laterally: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within the same salary grade.

No salary increase is awarded. Any exception to this guideline will require additional justification, an internal equity review, and approval of the appropriate DEC member, in coordination with the human resources director.

Reclassification Downward: Occurs when it is determined that an individual's job duties and responsibilities have changed significantly enough to transition the position into a different classification within a lower salary grade.

6. Regrade

Regrades occur when the classification is determined to warrant a different pay grade. This is typically determined by a market analysis or internal classification review, performed by HR in coordination with the DEC member.

Employees typically receive salary increases between 2% and 15%. Regrade increases are approved by the appropriate DEC member, in coordination with human resources. Salaries must be at or above the minimum of the new pay grade.

7. Acting Pay

Acting pay is provided when an employee is temporarily assigned to assume the responsibilities of a position in a higher salary grade.

Less Than Two Years Duration: The employee will receive at least a 5% salary adjustment while serving in an acting position. If the 5% increase does not place the employee at the minimum salary of the acting position, the salary must be increased to the minimum of the acting range. The acting amount shall not exceed the maximum of the acting range. When the employee returns to the former position, his or her salary will be reduced by the dollar amount received while performing the “acting” job responsibilities.

Beyond Two Years Duration: When employees are deemed to be “acting” by performing the full duties of a position for more than two years, the supervisor may choose to promote the individual without going through a competitive process. If the employee is promoted, the employee is eligible for a promotional increase. Otherwise, the position will be open for recruitment. The permanent filling of the position may involve no change in current salary or could include a pay increase, depending upon the circumstances and available budget.

If an employee is acting in a position that is the same salary grade, acting pay would not be provided unless there is sufficient justification to support that the duties of the acting position are substantially different.

8. In-grade

In-grade salary adjustments occur when employees receive an increase in base pay to ensure competitiveness, retention, and to recognize increased skills, abilities, knowledge, or responsibilities outside of the position classification process. These adjustments should only be provided once per fiscal year. Listed below are the categories and descriptions of in-grade salary adjustments.

Market adjustment: Warranted in cases where external market forces exist due to high demand for a particular skill or position which may result in significantly higher turnover. Market adjustments may also occur if it is determined that an individual’s salary is significantly lower than market study findings. Salary adjustments can apply to an individual or classification of employees to ensure competitiveness and retention of staff. An in-grade adjustment of 1% to 10% of salary is typically provided.

Internal alignment adjustment: Warranted when employees’ salaries are unusually low or out of comparability with other employees in the work unit. Factors considered include experience, education, knowledge, skills and abilities. An in-grade adjustment of 1% to 10% of salary is typically provided.

Individual accomplishment adjustment: May be awarded to recognize the attainment of a higher level of expertise through professional certification requiring continuing education credits (CEUs). In-grade adjustments are awarded at the time of the original certification. If the certification does not require CEUs, an in-grade adjustment will not be provided; however, a bonus may be considered. Additionally, an in-grade adjustment for completion of a degree that relates to a current or career path position may be provided. Other similar situations may be considered as justification for an individual accomplishment adjustment. An in-grade adjustment of 1% to 10% of salary is typically provided.

Skill acquisition and application adjustment: May be awarded to recognize the acquisition and application of relevant, pre-defined, job-based skills, resulting in increased value to the organization.

Typically, an Individual Development Plan identifies the needed skills and the skill acquisition plan. Formal assessments, through testing or demonstration of the skills acquired and applied to the job, may result in an in-grade adjustment. An in-grade adjustment of 1% to 4% of salary is typically provided.

Change in job duties adjustment: May be awarded to an employee who assumes new higher level duties and responsibilities that are critical to the operations of the agency. An in-grade adjustment of 1% to 10% of salary is typically provided.

Retention adjustment: May be granted to prevent employees from seeking employment outside the agency including:

a. Employees in occupations that have high value in the labor market when salaries have not been competitive with the marketplace. In such cases, the adjustment is normally granted to all employees in a particular occupation or functional area to avoid turnover.

b. Individual employees who are assigned to key functions.

An in-grade adjustment of 1% to 10% of salary is typically provided.

The employee's supervisor must request the in-grade adjustment in writing and include documentation supporting the need for a pay adjustment. The respective DEC member approves in-grade adjustments, in coordination with the human resources director.

When an employee's salary is at or above the salary maximum for his/her job grade, a bonus payment may be awarded. The respective member of the DEC approves the bonus, in coordination with the human resources director.

9. Competitive

A competitive pay increase is an option available to supervisors to retain top performers, who have received an external job offer, when the loss is determined to be detrimental to the organization. Employees must furnish a copy of the respective job offer.

The supervisor requests, in writing, a competitive pay increase and includes documentation supporting the need for an adjustment and justification for the increase. The respective member of the DEC approves the increase, in coordination with the human resources director.

Competitive pay increases apply to base salary and may not exceed the salary maximum for the salary range. In extraordinary circumstances, when an employee's base salary is at maximum, a bonus is an option. In these situations, the respective member of the DEC, in coordination with the human resources director, submits the request for agency director approval.

10. Increases Governed by the Appropriations Act

VRS will implement pay actions consistent with the provisions of the Appropriation Act.

D. Bonuses

1. Sign-on

Sign-on bonuses may be provided to qualified external candidates when the position is determined to be hard-to-fill, or when there is a demonstrated need to provide supplemental pay to compete with the market.

The amount of the sign-on bonus will vary depending on the position and the supply of candidates. The amount of the bonus typically ranges from 1% to 20% of the midpoint of the salary range.

Fifty percent of the sign-on bonus will be paid in the first paycheck with the remainder of the bonus being paid following the successful completion of the one year introductory period.

Refer to the **Employee Sign-on Bonus Program Policy**.

2. Referral

Referral bonuses may be provided to full and part-time employees who refer a candidate hired into a full-time position.

The amount of the referral bonus is \$1,000. Fifty percent is paid in the paycheck following the referred employee's first full pay cycle with the remainder of the bonus being paid following the successful completion of the referred employee's introductory period.

Refer to the **Employee Referral Program Policy**.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of performance bonuses under this plan is not guaranteed.

3. Performance

Performance bonuses are provided agency wide following the annual review process.

Subject to the approval of the VRS Board of Trustees, eligible employees who receive an overall rating of "exceptional" will receive a 4% bonus and employees who receive an overall rating of "exceeds" will receive a 2% bonus, based on their salary as of June 30. Employees who receive an overall "meets," "does not meet" or "needs improvement" rating will not receive a performance bonus.

The performance cycle and thus, bonus payments, align with the fiscal year, July 1 through June 30.

The **Performance Management Policy** outlines details.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of performance bonuses under this plan is not guaranteed.

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4. Gainsharing

Gainsharing bonuses are provided when it is determined the agency has successfully attained the Agency Performance Outcomes (APO) and Operational Measures (OM).

Subject to the approval of the VRS Board of Trustees, attainment of the APOs and OMs may result in eligible employees receiving a lump-sum bonus of 2.5%, or other amount determined by the Board, based on their salary as of June 30.

The **Performance Management Policy** outlines details.

While the VRS Board of Trustees remains mindful of the value that staff adds to the organization and supportive of the pay plan, the VRS Board of Trustees also specifically reserves the right to cancel, reduce, or delay the amount of any bonuses payable under this plan when, in the sole discretion of the VRS Board of Trustees, extreme budgetary pressures, economic, market or other conditions are such that the VRS Board of Trustees deems such action necessary under the circumstances.

Consistent with the preceding paragraph, payment of gainsharing bonuses under this plan is not guaranteed.

5. Employee Recognition Bonus

Employee recognition bonuses may be provided to full and part-time employees for individual or team accomplishments typically associated with special projects, process improvements, innovation or other outstanding accomplishments.

Bonuses range from \$50 to \$5,000 depending upon the value of individual or team accomplishments.

Bonuses up to and including \$1,000 require approval by the appropriate DEC member. Special Recognition Bonuses, above \$1,000 through \$5,000, require approval by the DEC member and Agency Director, Chief Investment Officer, or Internal Audit Director. The fiscal year bonus cap is \$5,000 per employee.

The **Recognition and Awards Program Policy** outlines details.

V. Additional Information

A. VRS Pay Plans

In addition to the Administrative Pay Plan, VRS maintains several other pay plans to meet specific employment and compensation needs. These plans are as follows:

- **Investment Professionals' Pay Plan** - This pay plan is separate from the administrative plan and includes its own salary and classification structure as well as incentive pay guidelines.
- **Investment Operations and Administration Staff Pay Plan** - This pay plan is separate from the administrative plan and includes its own salary and classification structure.
- **Executive Pay Plan** – This pay plan provides the annual salary and bonus amounts provided to the Agency Director, Chief Investment Officer and Audit Director by the VRS Board of Trustees.

B. Key Terms

FLSA - The Fair Labor Standards Act

Exempt – Employees who are not covered by or are exempted from the minimum wage and overtime provisions of the Fair Labor Standards Act

Non-exempt – Employees who are subject to the minimum wage and overtime provisions of the Fair Labor Standards Act

Salary grade – A series of specific pay rates assigned to a classification as the compensation for that classification

Pay rate – A specific dollar amount, expressed as either an annual or hourly rate

Red-circle – A designation for salaries that exceed the maximum of a specified salary range. Employees are not eligible for further base pay increases until the range maximum surpasses the employee's salary.

APPENDIX 1 – PAY RANGES – Effective 6/10/23

| Administrative SALARY RANGES | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Grade | Min | Mid | Max |
| 1 | \$ <u>38,502</u> <u>40,427</u> | \$ <u>46,202</u> <u>48,512</u> | \$ <u>53,902</u> <u>56,598</u> |
| 2 | \$ <u>42,352</u> <u>44,469</u> | \$ <u>50,822</u> <u>53,363</u> | \$ <u>59,293</u> <u>62,257</u> |
| 3 | \$ <u>46,587</u> <u>48,916</u> | \$ <u>55,904</u> <u>58,700</u> | \$ <u>65,222</u> <u>68,483</u> |
| 4 | \$ <u>51,246</u> <u>53,808</u> | \$ <u>61,495</u> <u>64,570</u> | \$ <u>71,744</u> <u>75,331</u> |
| 5 | \$ <u>56,370</u> <u>59,189</u> | \$ <u>67,645</u> <u>71,027</u> | \$ <u>78,919</u> <u>82,865</u> |
| 6 | \$ <u>62,007</u> <u>65,108</u> | \$ <u>74,409</u> <u>78,130</u> | \$ <u>86,811</u> <u>91,151</u> |
| 7 | \$ <u>66,816</u> <u>70,157</u> | \$ <u>81,850</u> <u>85,943</u> | \$ <u>96,884</u> <u>101,728</u> |
| 8 | \$ <u>73,498</u> <u>77,173</u> | \$ <u>90,035</u> <u>94,537</u> | \$ <u>106,572</u> <u>111,901</u> |
| 9 | \$ <u>80,848</u> <u>84,890</u> | \$ <u>99,039</u> <u>103,991</u> | \$ <u>117,229</u> <u>123,091</u> |
| 10 | \$ <u>87,154</u> <u>91,512</u> | \$ <u>108,943</u> <u>114,390</u> | \$ <u>130,731</u> <u>137,268</u> |
| 11 | \$ <u>95,869</u> <u>100,663</u> | \$ <u>119,837</u> <u>125,829</u> | \$ <u>143,806</u> <u>150,995</u> |
| 12 | \$ <u>107,853</u> <u>113,246</u> | \$ <u>134,816</u> <u>141,557</u> | \$ <u>161,780</u> <u>169,869</u> |
| 13 | \$ <u>121,335</u> <u>127,402</u> | \$ <u>151,669</u> <u>159,252</u> | \$ <u>182,002</u> <u>191,103</u> |
| 14 | \$ <u>136,799</u> <u>143,639</u> | \$ <u>174,419</u> <u>183,140</u> | \$ <u>212,039</u> <u>222,641</u> |
| 15 | \$ <u>157,319</u> <u>165,185</u> | \$ <u>200,582</u> <u>210,611</u> | \$ <u>243,845</u> <u>256,037</u> |
| 16 | \$ <u>180,917</u> <u>189,963</u> | \$ <u>230,669</u> <u>242,203</u> | \$ <u>280,422</u> <u>294,443</u> |
| | | | |

| Technology SALARY RANGES | | | |
|-------------------------------------|---|---|---|
| Grade | Min | Mid | Max |
| T1 | \$ 52,487 <u>55,111</u> | \$ 62,984 <u>66,133</u> | \$ 73,482 <u>77,156</u> |
| T2 | \$ 57,736 <u>60,622</u> | \$ 69,283 <u>72,747</u> | \$ 80,830 <u>84,871</u> |
| T3 | \$ 63,509 <u>66,685</u> | \$ 76,211 <u>80,022</u> | \$ 88,913 <u>93,359</u> |
| T4 | \$ 69,860 <u>73,353</u> | \$ 83,832 <u>88,024</u> | \$ 97,804 <u>102,695</u> |
| T5 | \$ 76,846 <u>80,688</u> | \$ 92,215 <u>96,826</u> | \$ 107,585 <u>112,964</u> |
| T6 | \$ 84,531 <u>88,757</u> | \$ 101,437 <u>106,509</u> | \$ 118,343 <u>124,260</u> |
| T7 | \$ 91,086 <u>95,641</u> | \$ <u>111,581</u> | \$ 132,075 <u>138,679</u> |
| T8 | \$ 100,195 <u>105,205</u> | \$ <u>122,739</u> | \$ 145,283 <u>152,547</u> |
| T9 | \$ 110,214 <u>115,725</u> | \$ 135,013 <u>141,764</u> | \$ 159,811 <u>167,802</u> |
| T10 | \$ 118,811 <u>124,752</u> | \$ 148,514 <u>155,940</u> | \$ 178,217 <u>187,128</u> |
| T11 | \$ 130,692 <u>137,227</u> | \$ 163,366 <u>171,534</u> | \$ 196,039 <u>205,841</u> |
| T12 | \$ 143,762 <u>150,950</u> | \$ 179,702 <u>188,687</u> | \$ 215,643 <u>226,425</u> |
| T13 | \$ 158,138 <u>166,045</u> | \$ 197,673 <u>207,556</u> | \$ 237,207 <u>249,068</u> |
| T14 | \$ 170,541 <u>179,068</u> | \$ 217,440 <u>228,312</u> | \$ 264,339 <u>277,556</u> |