



**STATE OF HAWAII  
DEPARTMENT OF HUMAN RESOURCES  
DEVELOPMENT  
POLICIES AND PROCEDURES**

POLICY NO.

201.010  
ECCD/Comp

EFF. DATE

1/1/2016

NO. of PAGES

5  
2 Attachments

REV.NO./Date

**TITLE: IN-GRADE COMPENSATION ADJUSTMENT  
FOR EXCLUDED MANAGERIAL  
COMPENSATION PLAN EMPLOYEES**

APPROVED:

*James K. Nishimoto*  
James K. Nishimoto, Director

**I. POLICY**

Excluded Managerial Compensation Plan (EMCP) employees may be eligible for an in-grade compensation adjustment when there is a significant change in the duties and responsibilities of their position or a new significant function is added. All in-grade compensation adjustments are subject to the discretion of the appointing authority.

**II. RATIONALE**

As business needs change, agencies need to redesign and reconfigure work assignments and job responsibilities to meet changes in organizational goals, technology, staffing, etc. Agencies may need to assign additional duties and responsibilities that do not warrant movement to a new pay grade but reflect a significant increase in the scope and complexity of work. Subject to the availability of funds, permanent and temporary assignment of duties and responsibilities that increase the scope and complexity of work may be recognized with an increase in pay.

**III. SCOPE**

This policy applies to EMCP employees in the executive branch under the jurisdiction of the Department of Human Resources Development (DHRD), except EMCP employees covered by the State's broadband classification and compensation system.

**IV. GENERAL PROVISIONS**

- A. EMCP employees may be assigned additional duties and responsibilities on a permanent or temporary basis that increase the scope and complexity of work but does not warrant movement to a new pay grade.
- B. Effective January 1, 2016, the appointing authority may authorize a two percent (2.00%) increase to an employee's basic rate of pay for employees eligible for an in-grade compensation adjustment, not to exceed the maximum of the pay grade. If a 2.00% increase results in the

## IN-GRADE COMPENSATION ADJUSTMENT FOR EMCP EMPLOYEES

POLICY NO. 201.010 (Eff. 1/1/2016)

employee's basic rate of pay exceeding the maximum of the pay grade, the employee's basic rate of pay shall equal the pay grade maximum.

For employees receiving a shortage differential (SD), their total compensation (basic rate of pay plus SD) shall not exceed the maximum of their pay grade (or raised maximum rate, if applicable). If the employee's total compensation exceeds the maximum (or raised maximum rate), the employee's SD shall equal the difference between the maximum (or raised maximum rate) minus the employee's new basic rate of pay.

- C. To be eligible for an in-grade adjustment, the additional duties and responsibilities must be substantial as demonstrated in an increase in the accountability; critical thinking; problem solving; decision making; knowledge, skills, and expertise; and/or communications of the employee. See Attachment A for additional guidelines.
- D. The significant change in complexity of work must be demonstrated on an on-going basis and be documented in the employee's official position description.
- E. The employee must have gained and demonstrated competency in the new duties. The employee is not eligible for an in-grade compensation adjustment during the learning period.
- F. An increase in workload shall not be the basis for an in-grade compensation adjustment.
- G. Employees must have 6 months of service in the current position and have a minimum overall performance rating of meets expectations during the current or immediately preceding rating period to be eligible for an in-grade compensation adjustment.
- H. The authority to allocate positions to and/or from classes in the EMCP is currently not delegated to employing departments. Effective January 1, 2016, departments are delegated authority to take classification actions on EMCP positions only when the action is for the purpose of documenting changes to duties and responsibilities for an in-grade compensation adjustment, where there is no change in classification of the positions.
- I. As the central human resource agency, DHRD continues to be responsible for communicating with the unions with regard to bargaining unit (BU) exclusions and transfers. However, effective January 1, 2016,

## IN-GRADE COMPENSATION ADJUSTMENT FOR EMCP EMPLOYEES

POLICY NO. 201.010 (Eff. 1/1/2016)

departments are delegated authority to approve the continued BU exclusion of existing EMCP positions only when:

1. The position description has been redescribed for the purpose of documenting changes to duties and responsibilities for an in-grade compensation adjustment;
2. Continued BU exclusion is based on the same reasons and criteria in the 1994 BU Bright Lines Agreement that were the basis for the initial BU exclusion; and
3. The union concurred with the initial BU exclusion.

### J. Permanent In-Grade Compensation Adjustment

1. The effective date shall be the first day of the pay period immediately following the date of the receipt of the redescription by the departmental personnel office (PO). An earlier effective date may be authorized by the appointing authority when deemed equitable. Such retroactive effective date shall not be earlier than one year prior to the beginning of the pay period immediately following the date of receipt of the redescription. Whenever a request is made for a retroactive date, the appointing authority must document appropriate justification in detail to support the request including the reason for the delay and a description of the measures taken to prevent similar situations requiring retroactive adjustments.
2. Permanent in-grade compensation adjustments shall be limited to one every 12 months from the last in-grade compensation adjustment or reallocation. However, certain professions, such as Information Technology, that require rapidly developing knowledge, skills, and abilities may be authorized for one in-grade compensation adjustment every 6 months from the last in-grade compensation adjustment. Requests for approval to authorize in-grade compensation adjustments every 6 months for a specific career group shall be made to the Director of Human Resources Development.

### K. Temporary In-Grade Compensation Adjustment

1. Temporary compensation adjustments may be requested for a specified period up to one year, at the end of which the position

## IN-GRADE COMPENSATION ADJUSTMENT FOR EMCP EMPLOYEES

POLICY NO. 201.010 (Eff. 1/1/2016)

shall revert to its previous position description.

2. A temporary compensation adjustment may be extended, but shall not exceed a total period of two years. Justification for extension beyond the first year shall be provided by the agency to the appointing authority for review and approval prior to the end of the first year.
  3. The beginning and ending effective dates shall conform to the dates the temporary duties were actually assigned, assumed, and subsequently removed; provided the beginning effective date shall be no earlier than 90 calendar days prior to receipt of the redescription by the departmental PO.
- L. All current and future costs of the in-grade compensation adjustment shall be accommodated from existing program budget allocations and shall not require or serve as the sole basis for future supplemental program budget requests. Certification of availability of funds is required.

### V. PROCEDURE

- A. A revised position description is required to document the significant changes in the duties and responsibilities of the position that reflect the expanded scope and complexity of work.
- B. The employee's supervisor/manager may initiate a request for an in-grade compensation adjustment (Attachment B) and submit to the departmental PO.
- C. The departmental PO will review the request to ensure that all eligibility requirements are met and forward to the appointing authority with a recommendation.
- D. The appointing authority shall approve or disapprove the request. All disapproved requests shall be returned to the requestor, via the departmental PO, with an explanation for the disapproval.
- E. DHRD may request that copies of the approved and disapproved requests be forwarded by the departmental PO to DHRD within 10 calendar days of the appointing authority's decision.
- F. The departmental PO shall initiate appropriate action to effect payment of approved in-grade compensation adjustments.

**IN-GRADE COMPENSATION ADJUSTMENT FOR EMCP EMPLOYEES**

**POLICY NO. 201.010 (Eff. 1/1/2016)**

- G. All in-grade compensation adjustments are discretionary and shall not be appealed.

VI. AUTHORITIES AND REFERENCES

§89C-2, Hawaii Revised Statutes, *Adjustments authorized; limitations, restrictions*

§89C-5, Hawaii Revised Statutes, *Implementation; approval and appropriations*

Executive Order 15-02