



## Compensation

(HC35)

### POLICY STATEMENT

The New Orleans Regional Transit Authority (RTA) is committed to providing appropriate compensation for its employees. RTA's compensation program is fiscally responsible and designed to attract, develop and retain qualified employees and to ensure internal equity and external competitiveness.

### PURPOSE

To provide compensation that is:

- Designed to attract and retain qualified employees;
- Equitable for RTA positions with comparable scope and responsibility;
- Competitive with salaries for comparable positions in RTA's industry and the business community; and
- Consistent with principles of public accountability and fiscal responsibility.

### APPLICATION

**This policy applies to both represented and non-represented employees. If a conflict occurs between this policy and a Collective Bargaining Agreement (CBA), the CBA will prevail.**

### ADOPTED BY:

The RTA Board of Commissioners on **XXXX**, Resolution **XXXX**.

### APPROVED BY:

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Alex Z. Wiggins  
Chief Executive Officer

Effective Date: **XX/XX/XXXX**  
Date of Last Review: **XX/XX/XXXX**

## 1.0 PROCEDURES

These procedures establish salary administration guidelines for determining RTA employees' salaries.

### 1.1 Setting Individual Salaries – New Hires

Salary ranges provide guidelines for determining salaries for new hires, promotions, demotions, reclassifications, and interim appointments. Employees' salaries will not be established below the minimum or above the maximum of the salary range.

When determining starting salaries for new hires, the Hiring Department will consider such factors as unique expertise, prior experience, education, acquired training, external market competitiveness relative to the position, and internal equity within RTA and the department. Salary offers approved by the appointing authority should be submitted to the hiring department's Chief, or the appropriate department head for concurrence.

A new employee's salary will normally be established between the minimum and midpoint of the salary range, and be approved per Table 1: Salary/Pay Grade Approvals.

~~The CEO will notify the Board of Commissioners of any completed salary negotiations, within the pay ranges that have previously been approved by the Board, when filling executive-level positions previously approved by the Board.~~

Table 1: Salary/Pay Grade Approvals

Salary/Pay Grade Range	Required Approval(s)
Below the midpoint of the pay grade range	Hiring Department Head
At or above the midpoint of the pay grade range (not to exceed the maximum)	Hiring Department Chief, Human Capital <b>and</b> <b>CFO</b>
<del>At least \$95,000, up to the CEO's maximum Board-approved authority</del>	<del>Hiring Department Chief, Human Capital; and CEO</del>
More than the maximum of the pay range for the position	Hiring Department Chief; Human Capital <b>Chief; CFO, and</b> CEO. <b>Board of Commissioners</b>



## 1.2 Setting Individual Salaries – Change in Classification

### 1.2.1 Transfer

Employees transferring into a new position in the same salary grade as their current position will not receive a change in pay. When a transfer occurs, the employee will serve a new six-month probationary period.

### 1.2.2 Demotion

An employee who voluntarily demotes to a lower classification will have his/her current salary reviewed, and adjusted appropriately within the lower salary range. This includes an employee whose current salary is above the maximum of the lower grade's salary range. The Human Capital Department, in consultation with the respective department head, will determine any salary adjustment. A voluntary demotion requires approval of the respective department head, and review by the Chief Human Resources Officer, Human Capital.

An employee who is demoted involuntarily to a lower classification based on a business necessity or performance will have his/her current salary reviewed, and adjusted appropriately within the lower salary range. This includes an employee whose current salary is above the maximum of the lower grade's salary range. The Human Capital Department, in consultation with the respective department head, will determine any salary adjustment. An Involuntary demotion requires approval of the respective Chief, and review by the Chief Human Resources Officer, Human Capital.

An employee who is demoted will serve a new six-month probationary period in the new classification.

An employee who fails the demotion probation and receives approval to return to his/her former position (see the Probationary Period (HC32) policy), will have his/her salary adjusted to its previous level. If the employee demotes to a different lower-level position which he/she has never held, the employee will have his/her salary appropriately adjusted within the new salary grade. This adjustment will be determined by the Human Resources Department, in consultation with the respective department head.

A new employee serving an initial probation is not eligible to volunteer for a demotion.

### 1.2.3 Promotion

A promotion results from the change of an employee to a higher pay grade after a successful selection process or direct appointment (see the **Employment Advertisement**, Recruitment and Selection (HC3714) policy). Salary increases upon promotion will be at least 5% of the employee's base pay and must fall within the new salary range. In the event a 5% increase would result in the salary exceeding the range, the increase will only be that percentage which brings the employee's new salary



to the top of the range. Salary increases are subject to the approval requirements in Table 1: Salary/Pay Grade Approvals.

The hiring department in coordination with Human Capital will determine the effective date of a promotion, not to exceed the first day of a pay period within 15 working days from the date the employee accepts the position. The employee will assume the new duties on the effective date. If the employee is delayed in assuming his/her new position due to business necessity, the effective date will be the date agreed to by the employee's current and hiring departments. Delays beyond 15 working days after the employee accepts the new position require the concurrence of the Chief Human Resources Officer, Human Capital.

A newly promoted employee will serve a six-month probationary period.

#### 1.2.4 Classification and Salary Equity Review

When positional duties have changed significantly, the position may be reclassified accordingly (a higher position in a higher pay grade; lower position in a lower pay grade; or different classification within the same pay grade). A request for a classification review may be initiated by a department Chief; and is subject to CEO approval.

The following are true when a reclassification audit results in a reclassification to a higher-level position:

- If the position exists in multiple departments, the incumbent must be in the new position's Qualified Candidate Pool (QCP), in order to be reclassified.
- If the position only exists within the incumbent's department (e.g., Senior Worker's Compensation Analyst), he/she must meet the position's minimum qualifications in order to be reclassified.
- If the incumbent does not meet the above criteria, only the position will be reclassified.

An incumbent who is reclassified to a higher-level position may be considered for a salary increase, which will be at least five percent (5%) of the employee's base pay, and must fall within the new salary range.

Human Capital will consider requests from department Chiefs for salary equity reviews of employees within their departments, subject to **the CFO and/or** CEO approval.

A reclassification resulting in a higher-level position or a salary equity adjustment that results in an annual salary for the incumbent within the pay range for the position, must be approved by the Chief Human Resources Officer, Human Capital; the respective department Chief; **CFO** and the CEO



If a reclassification results in a change to a lower-level position, Human Capital will review an employee's current salary relative to the lower salary range, and adjust the salary as appropriate. This includes an employee's current salary that is above the maximum of the lower grade salary range.

If a reclassification results in a change to a different classification within the same pay grade, there will be no salary adjustment.

The effective date of an employee's reclassification and salary adjustment will be the first pay period following the final approval.

Agencywide classification and compensation studies to establish classification pay bands as needed shall be shared with the board of commissioners.

### **1.3 Interim Pay**

The pay for an interim appointment in a higher-level position is at least five percent (5%) increase above the employee's regular salary. The interim pay will be at least at the minimum of the salary range of the interim position, but will not exceed the maximum of the salary range. Interim assignments must be approved by the respective department Deputy CEO/Chief of the respective department (see the **Employment Advertisement, Recruitment and Selection (HC3714)** policy).

An employee will receive interim pay during his/her interim tenure, which should not exceed six (6) months. Interim pay will cease when the employee returns to his/her regular position.

### **1.4 Performance Based Compensation**

An Individual Performance Plan will establish guidelines to apply when determining employees' annual salary increases.

Employees receiving an overall annual performance rating of Exceeds Expectations = 4.0; Meets Expectations = 3.0; Sometimes Meets Expectations = 2.0 will be given a fixed percentage increase added to the base pay rate of their regular position up to the maximum of their salary range.

Employees receiving a Does Not Meet Expectations = 1.0 rating on their most recent Individual Performance Plan, and are given a 90-day improvement plan, must receive an "Effective" rating at the end of that period, and maintain that rating for an additional 90 days, to be eligible for a salary increase after that 180-day period. This increase is not retroactive; and will be effective the first payroll period after the 180-day period.

### **1.5 Hours of Work - Exempt Employees**



The workweek for a full-time exempt employee is 40 hours; though, with written approval from his/her supervisor, he/she may work an alternate work schedule of at least 80 hours per pay period (see the Attendance and Work Schedule (HC1) policy). An exempt employee may be required to work additional hours to complete work assignments, but will not receive overtime compensation.

## **1.6 Hours of Work and Overtime - Non-Exempt Employees**

### **1.6.1 Hours of Work**

The workday for a full-time non-exempt employee is 8 hours. Regular hours worked exceeding 8 hours per day or 40 hours per workweek will be compensated as overtime. A non-exempt employee is paid for all regular hours worked and for time charged to paid leave time. If a non-exempt employee has exhausted all of his/her Paid Time Off (PTO), the employee's pay will be reduced for the hours not worked.

### **1.6.2 Overtime**

Overtime is regular hours worked by non-exempt employees which exceeds 8 hours per day or 40 hours per workweek. Overtime may be assigned by the immediate supervisor or department head to meet essential operating requirements. All other overtime must be approved in advance by the immediate supervisor.

### **1.6.3 Compensation for Overtime**

A non-exempt employee will be compensated at the legislatively provided premium rate (premium rate) for any regular hours worked exceeding 8 hours worked per day, or 40 hours per workweek.

### **1.6.4 Compensatory Time Off for Overtime**

A non-exempt employee is eligible to receive compensatory time off (CTO) at the premium rate in lieu of cash overtime pay if:

- The employee and his/her manager/supervisor must agree that the employee will receive CTO instead of pay. This must occur before the employee performs the work and the employee signs a Compensatory Time Off Agreement (Attachment 1). Without a mutual agreement, the employee will be paid at the premium rate, instead of receiving CTO.; and
- The employee's current total CTO accrual is not more than 80 hours. Accruals above the 80-hour maximum require the approval of the EO, Human Resources.

Use of CTO is at management discretion. CTO must be used within one year from the time overtime was performed. If the department is unable to schedule and grant the time off, a cash payment will be made in lieu of CTO. Upon termination of employment, the employee will be paid for any unused CTO.



Departments will schedule CTO consistent with the department's operational requirements, based on a consideration of customary work practices, including the normal schedule of work; anticipated peak workloads based on past experience; emergency requirements for staff and services; availability of qualified substitute staff; and control of excess overtime compensation.

#### **1.6.5 Emergency Pay for Essential Employees**

**Both essential exempt and non-exempt employees are entitled to receive emergency pay when activated to serve on the RTA's Incident Management Team as defined in the Agency's All Hazards Plan. Employees will be compensated at an additional fifty percent above the normal rate of pay for all hours work for non-exempt employees and an additional fifty percent of the normal weekly salary, or fraction thereof, for exempt employees. All other pay policies remain applicable and unaffected during an emergency.**

#### **1.6.6 Continuation Pay for Reserve Employees**

**When reserve employees who are scheduled for work are released from duty due to an emergency affecting RTA operations will be paid subject to approval by the Chief Executive Officer and/or Chief Human Resources Officer.**

### **1.7 Cost of Living Adjustment**

RTA's offers a cost-of-living adjustment (COLA) as an increase in benefits or salaries to counteract inflation. A cost-of-living adjustment shall be included in the employee's salary if budget allows and the employee was employed on record as of December 31.

### **1.8 Record Keeping**

Non-exempt employees must record actual hours worked on a daily basis, including any absences, in the employee's respective payroll system and must include the appropriate Project/Task number for all hours worked. The employee must record any time missed (such as PTO, Paid Sick Time, holiday, or RTA-approved leave), during the reporting period, which will then be charged to his/her relevant account. If an employee has exhausted all of his/her PTO or Paid Sick Time, his/her pay will be reduced for the hours not worked.

Exempt employees must record their time in their respective payroll system. This isn't to record their presence at work, but for the specific purpose of recording PTO, holidays, and the appropriate Project/Task numbers for all hours worked. Any deviation from regular work hours must be approved in advance by the immediate supervisor. Supervisors are accountable for verifying that their employees' work hours are properly recorded, to ensure compliance with this policy.

Timesheets for all employees must be signed by the employee's supervisor.



Falsification of timesheets is considered theft of public funds. A charge of theft of public funds sustained against an employee may lead to discipline up to and including discharge.

Employees should promptly notify their supervisor if they believe there has been an improper deduction made from their paycheck. Reports of an improper deduction from wages will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction.

### **1.8.1 Emergency Pay Recordkeeping**

**All employees activated to serve under the RTA's Incident Management Team during an emergency shall document the nature and duration of emergency work performed during each operational period on an ICS Form 214 (Activity Log). Employees must submit their completed ICS Form 214 at the end of each operational period to IMT's Documentation Unit Leader. Hours worked on the ICS Form 214 must correspond to the hours recorded in the RTA's payroll system in order to receive emergency pay.**

### **1.9 Time Claim**

Employees may file a time claim if they believe they have not received their total compensation. Any claim for additional compensation must be filed within ten (10) working days from the date of receipt of paycheck for the specific pay period in question (refer to the Grievance (HC13) policy).

## **2.0 DEFINITION OF TERMS**

**Demotion** – An employee's voluntary or involuntary change from one position to another in a different classification which is assigned to a lower grade. The involuntary change is typically a result of business necessity or unsatisfactory performance.

**Department Head** – An employee at the Director-level or higher who manages a cost center.

**Essential Employees** – Employees who by virtue of their presence, specialized function, or necessary skills, are essential to conducting the business or certain operational needs of the RTA and are, therefore required to report for duty and serve on the RTA's Incident Management Team. Whenever possible, essential designation of employees will occur well in advance. Designation of essential employee status may vary depending on the circumstances of the emergency. Department Heads must maintain a list of all essential personnel and submit this list every quarter to the RTA's Chief Human Resources Officer (or designee) and the Director of Emergency Management.



**Exempt Employee** – An employee who, based on duties performed and manner of compensation, is exempt from the FLSA minimum wage and overtime provisions. An Exempt employee receives a salary and may be required to work additional hours to complete work assignments without additional compensation.

**Interim Appointment** – A temporary assignment of a regular employee to another position

**Non-exempt Employee** – A Non-exempt employee is defined as an employee who, based on duties performed and manner of compensation, is subject to all FLSA provisions. A Non-Exempt employee is required to account for all time worked on an hourly basis and is compensated for overtime.

**Overtime** – Overtime is time worked by a non-exempt employee that exceeds 8 hours in a workday or 40 hours in a workweek. Only regular hours worked will be calculated when determining overtime; any type of leave, used PTO, used Paid Sick time, etc., will not be included in calculations. Overtime is compensated at legislatively provided premium rates.

**Paid Sick Time** – Accrued paid sick time for employees who are otherwise ineligible for PTO, or paid sick leave under a CBA.

**Promotion** – The change of an employee from one position to another which is assigned a higher pay grade, and for which the employee has either successfully competed in a selection process or has been directly appointed.

**Reclassification** – The change of an employee's current classification to a different classification as a result of an audit and evaluation that concludes that an employee's job duties and responsibilities have changed significantly.

**Reserve Employees – Employees who are not initially required to report for duty during an emergency, but who are required to report for duty when activated by the RTA's Incident Management Team in consultation with the employee's Department Head. These employees become essential employees until demobilized by the Incident Management Team.**

**Salary Equity Adjustment** – A change to an incumbent's salary as a result of an analysis conducted by the Human Capital Department of the equity of an incumbent's salary in comparison to the salaries of other employees in RTA and in the department within the same job family.



**Paid Time Off (PTO)** – Paid Time Off is measured on an hourly basis. This paid leave includes vacation, sick and floating or personal holiday hours.

**Transfer** – The change of an employee from one position to another in the same pay grade.

**Workweek** – A workweek is a period of 168 hours during seven consecutive 24-hour periods. A regular workweek begins 12:01 a.m. Sunday and ends the following Saturday at 12:00 a.m. (midnight). Employees on a flexible work schedule begin their workweek the mid-workday of the flex day and end the workweek the mid-workday on the 8-hour day (refer to Attendance and Work Schedule (HC1) policy).

### 3.0 RESPONSIBILITIES

**Chief Executive Officer (CEO)** delegates to the Chief Human Resources Officer, Human Capital authority to ensure that the Compensation program is administered and maintained in accordance with policies.

**Chief Human Resources Officer, Human Capital** or Designee ensures that the Compensation program is administered and maintained in accordance with RTA policies and is flexible, equitable, externally competitive; reviews all reclassifications and salary equity reviews and resulting salary changes; and approves all proposed salaries of new hires and promotions above the midpoint of the salary range.

**Chief Financial Officer (CFO) or Designee ensures that the Compensation program aligns with the approved budget**

**Deputy CEO/Department Chief** of the hiring department ensures policies and procedures are followed; signs salary offers at or above the midpoint of the range; and approves involuntary demotions. Reclassifications and Salary Equity Reviews may only be authorized and approved by Chiefs.

**Department Head** signs salary offers below the midpoint of the salary range and approves voluntary demotions.

**Supervisor** reviews and approves all work schedules, overtime and scheduled absences.

#### 4.0 FLOWCHART

N/A

#### 5.0 REFERENCES

- **Employment Advertisement,** Recruitment and Selection (HC3714)



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- Probationary Period (HC32)
- Attendance and Work Schedule (HC1)
- Individual Performance Plan (HC36)
- Grievance Process (HC13)

## **6.0 ATTACHMENTS**

1. Compensatory Time Off Agreement

## **7.0 PROCEDURE HISTORY**

8/18/2021 Final Executive Committee approval granted

8/24/2021 Final Board approval granted

## **8.0 SPONSOR DEPARTMENT**

Human Capital