

LUTHER COLLEGE

POLICIES AND PROCEDURES

Department: Human Resources
Subject: Promotions, Demotions and Transfers, Classifications – Non-Exempt Employees
Date Issued: October 2005
Date Revised: September 2020
Approved By:

I. Policy

This policy outlines the guidelines to establish a consistent and equitable procedure for managing classifications, promotions, demotions and transfers.

II. Scope

This policy applies to all non-exempt employees.

III. Terms and Definitions

- Non-exempt positions are classified into the following job families:
 - o Dining Services
 - o Facility Services
 - o Nursing Services
 - o Office Services
 - o Security Services
 - o Technical Services
- Each job family has a set of pay ranges that include a minimum, midpoint and maximum salary.
- A promotion occurs when an employee is promoted from one pay grade to a higher pay grade. For example, the employee is promoted from an OS1 position to an OS2 position.
- A demotion occurs when an employee requests a move or is moved to a lower pay grade.
- A transfer occurs when an employee requests a move or is moved to another position in the same pay grade.
- A reclassification occurs when an employee's current position is reevaluated.

IV. Procedures and Guidelines

- A. When an employee is promoted to a higher pay grade, the following applies:
- The difference between the minimum and midpoint of the new pay grade is divided by eight. Each two years of past applicable work experience and Luther work experience counts for one year in the new pay grade. In any case the final hourly rate cannot exceed the midpoint of the new pay grade. For example, an employee with eight years of Luther College service will receive four years of credit in the new pay grade. Therefore, the new hourly rate will equal 4/8ths progression toward the midpoint of the new pay grade.

- B. If an employee moves to a position in a lower pay grade, their pay in the new pay grade will be adjusted to reflect their years of service in their previous pay grade. For example, an employee at the midpoint in pay grade OS3 is moved to a pay grade OS2. The new hourly rate will be adjusted to the midpoint of an OS2. There is an additional calculation that will be made if the employee's current rate of pay is higher than the midpoint of their current position.
- C. When an employee is transferred to a position in the same pay grade, normally their hourly rate will remain unchanged.
- D. When an employee's position is reevaluated by Human Resources, the following applies:
- The supervisor prepares a new job description and any other documentation that outlines the significant changes in essential functions of the position.
 - This documentation must be reviewed and approved by the supervisor's Vice President.
 - Once approved, the Director of Human Resources or Associate Director of Human Resources will evaluate the changes in responsibilities.
 - The final decision will normally be based upon the nine-factor point evaluation system. Those factors include Education/Experience, Complexity of Duties, Supervision Necessary, Direction of Others, Effect (impact) of Errors, Contact with Others, Confidential Data, Mental and/or Physical Demand, and Working Conditions.
 - The Director of Human Resources will notify the supervisor of the decision in writing. Any pay adjustments will be paid by the next pay date.

V. Confidentiality and Record

The Director of Human Resources and the applicable Vice President will approve all promotions, demotions and transfers. Appropriate documentation, salary worksheets and Personnel/Payroll Status Change Notices will be maintained in the employee's personnel folders in the Office of Human Resources.