

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PAY POLICY

PURPOSE

The purpose of this policy is to ensure that the Municipal Employees' Retirement System (MERS) has a fair and documented policy for the payment of staff to enhance recruiting and retention of qualified employees.

POLICIES

Organizational Chart & Salary Ranges

The organizational chart attached as Exhibit A reflects the positions available at MERS and the salary ranges for those positions. The organizational chart is reviewed at least annually by the Personnel Committee of the Board of Trustees. No person shall be hired as a full-time employee of MERS unless it is to fill an approved position on the organizational chart.

Salary ranges for the positions shall be reviewed not less than every three (3) years by the Personnel Committee to determine if salaries reflect the current market rates. The Committee may consider State Civil Service positions as well as positions at other statewide and state retirement systems when evaluating the appropriateness of ranges.

Job Descriptions

Each authorized position shall have a written job description which accurately reflects duties performed by the incumbent of the position. Job descriptions should include the level of education and experience necessary for the position and examples of work performed.

Job descriptions shall be reviewed at least every three years by the Executive Director and updated as necessary.

The job description for the Executive Director shall be reviewed by the Personnel Committee, as needed.

Pay Increases

The Personnel Committee makes recommendations to the Board of Trustees as to pay raises for staff, separately from the Executive Director salary recommendations.

Pay adjustments in the nature of cost-of-living raises may be considered for July of each year. The Personnel Committee may recommend increases to the Board, not to exceed four percent (4%) or the CPI-U, whichever is lower. Cost-of-living raises must be awarded at the same rate to all staff rated as satisfactory or better on their last evaluation, except for the Executive Director and employees awarded special salary adjustments, and only after Board approval. Staff with less than six months of service may be granted a cost-of-living raise at the discretion of the Executive Director.

The Personnel Committee may also recommend to the Board a percentage of payroll, less the salary of the Executive Director and the salaries of non-eligible employees, for payment of merit increases to staff. Upon approval of a pool of funds based on the percentage of payroll, the Executive Director may award merit increases to deserving staff in an amount not to exceed five percent (5%) per year.

The amount of funds dedicated for staff merit increases shall be considered in the context of the adoption of the annual agency budget.

Pay increases in excess of four percent (4%) (or the CPI-U if lower) for cost-of-living adjustments or five percent (5%) for merit increases may not be granted without express approval of the Board of Trustees.

Incentive Awards

The Board recognizes that attainment of certain educational degrees or certifications enhance the job performance of staff and therefore benefits the system. Accordingly, the Board authorizes the Executive Director to increase salaries, within the approved ranges, and/or to grant a one-time incentive award to staff members who obtain degrees and or certifications.

The following are the types of undergraduate degrees that may result in incentive awards:

- Accounting
- Finance
- Economics
- Similarly achieved industry related degrees

Advanced degrees that may result in an award are:

- Master in any of the above
- Master of Business Administration (MBA)
- Master of Public Administration (MPA)
- Law
- Similarly achieved industry related advanced degrees

Certifications that may result in an award are:

- Certified Public Accountant (CPA)
- Chartered Financial Analyst (CFA)
- Chartered Alternative Investment Analyst (CAIA)
- Certified Management Accountant (CMA)
- Certificate of Achievement in Public Plan Policy through IFEBP Certificate Programs (CAPPP)
- Administrators Masters Program through IFEBP Certificate Programs (AMP)
- NCPERS Accredited Fiduciary (AF) designation
- Similarly achieved industry related certifications

An employee who attains one of the above-described degrees or certifications may receive a one-time award in the range of \$1,000 to \$5,000, at the discretion of the Executive Director.

Alternatively, if the level of effort in attaining the degree or certification merits a pay increase, the Executive Director may, with the advice and consent of the Personnel Committee, grant a pay increase of up to 10% within the ranges approved by the Board.

The Executive Director and the employee are encouraged to agree on the amount of the award or the eligible salary increase prior to the employee undertaking or continuing the endeavor of attaining the degree or certification. After receiving a salary increase, the employee must maintain a “successful” or better rating on their annual performance review when a salary increase has been awarded. Failure to maintain a successful or better rating may result in the rescission of the pay increase and/or the application of the reimbursement provisions.

When any of the above degrees or certifications are obtained through the *MERS Staff Education* program, which provides reimbursement for tuition and/or expenses, the work commitment and reimbursement provisions of that program will apply.