

**REVISED CAREER SERVICE RULE 13 PAY FOR PERFORMANCE
AND RELATED RULES
PLEASE READ AS SOON AS POSSIBLE**

TO: Appointing Authorities, Managers and Employees

FROM: Jeff Dolan, CSA Director

DATE: December 31, 2007

SUBJECT: Revision of Career Service Rule 13 PAY FOR PERFORMANCE, and related rules

The Career Service Board has approved a revision to Career Service Rule 13 PAY FOR PERFORMANCE, and related rules.

Here is a summary of the proposed changes:

1. Minor revisions to the rule for better flow.
2. Elimination of the term 'PEPR Evaluation End date.' Employees hired after December 31, 2007 will receive any applicable merit increases and merit payments effective on the date their evaluation period ends. This date will be referred to as the 'Merit date' in the rules. This is a change from the current rule which provides that employees will receive applicable merit increases and merit payments at the beginning of the first pay period following the end of the employee's evaluation period.
3. Employees hired after December 31, 2007 will have their Merit date set at either the sixteenth of the month of hire or the first of the following month, whichever is the date of or closest after the date of hire. This is a change from the current rule which sets the end of the evaluation period as the first of the month following the date of hire.
4. The table in Rule 13-60, which provides the amount of step increases associated with various PEP ratings has been changed. Employees at step 10 in non-exempt classifications and at step 12 in exempt classifications will now receive a 3 step increase for exceptional ratings and a 2 step increase for successful ratings. Previously, they received 2 steps for exceptional ratings and 1 step for successful ratings.

Please provide a copy of this rule to employees who do not have access to a City e-mail account.

MEMORANDUM

REVISION 23 SERIES C

TO: Holders of CSA Rule Books

FROM: Career Service Board

DATE: December 31, 2007

SUBJECT: Revision of Career Service Rule 13 PAY FOR PERFORMANCE, and related rules

The Career Service Board has revised Career Service Rule 13 PAY FOR PERFORMANCE, and related rules. The effective date of this revision is January 1, 2008.

	<u>Page Number</u>	<u>Issuance Dates</u>
Remove Entire Chapter 13	9-2 13-1 through 13-5	April 1, 2006 March 12, 2007
Replace Entire Chapter 13	9-2 13-1 through 13-5	January 1, 2008

PLEASE INSERT IN YOUR RULE BOOK AS SOON AS POSSIBLE. THANK YOU.

Section 9-6 Designees

Appointing authorities, including the Personnel Director, may delegate any authority given to them under this rule to a subordinate employee.

Section 9-10 Pay practices

- A. Pay practices include, but are not limited to items such as pay when first employed, changes in pay resulting from changes in position or classification, differentials, overtime pay, standby pay, and merit increases.
- B. The kind and level of pay practices for Career Service employees shall be determined by the Career Service Board ("Board") following a survey of other employers or based on the City's needs.
- C. Applicability to Deputy Sheriffs: None of the provisions of this Rule 9 shall apply to employees who hold positions in classifications in the Undersheriff pay schedules.

Section 9-20 Pay When First Employed

- A. Upon the appointment of a new employee, the appointing authority shall designate the pay for the employee. A step higher than the entry rate but not to exceed step "16" in a non-exempt schedule, step "18" in an exempt schedule, or the last step in all other schedules, may be designated if necessary to obtain the services of an unusually well-qualified person. The decision to appoint at a step higher than the entry rate should be based on market conditions, related experience, previous work record, specialization of education, salary history and quality/quantity of education. In any event, qualifications should exceed the minimum qualifications stated in the classification specification, and internal equity shall be considered. The appointing authority shall submit documentation with the Personnel Action Form documenting the justification for hiring an employee beginning at step "11" and up to and including step "16" in a non-exempt pay schedule or beginning at step "13" and up to and including step "18" in an exempt pay schedule (Revised effective January 1, 2008; Rule Revision Memo 23C).
- B. If market conditions prevent the city from hiring qualified candidates, the appointing authority may request authorization from the Personnel Director to pay the new employee at a pay step higher than step "16" in a non-exempt schedule and step "18" in an exempt schedule. In no event shall an employee's pay exceed the highest step in the pay range applicable to that position. The request shall be accompanied by a written justification for the request. The Personnel Director may approve the request if the justification establishes that the waiver is essential to the accomplishment of the department or agency mission and is justified by market conditions, as well as the new employee's related experience, previous work record, specialization of education, salary history and quality/quantity of education.

Section 9-30 Changes in Classification and Pay

A change in an employee's classification may occur through promotion, transfer, demotion, Employee Internship Appointment, re-allocation, or re-instatement.

RULE 13
PAY FOR PERFORMANCE

(Effective January 1, 2006; Rules Revision Memo 2C;
revised effective January 1, 2008; Rule Revision Memo 23C)

Purpose statement:

The purpose of this rule is to explain the Performance Enhancement Program and how the individual performance of Career Service employees is evaluated, reported and rewarded with merit increases, or merit payments.

Section 13-10 Definitions:

- A. Performance Improvement Plan ("PIP"): A document which may be used at any time during an employee's evaluation period to supplement the employee's PEP plan that may include, but is not limited to, levels of performance that must be achieved to obtain a successful rating, current performance deficiencies, support that may be provided by the department or agency, actions the employee must take to address the performance deficiencies, and a timeline for completion of the actions.
- B. Anniversary Date: The effective date of an employment appointment or a re-employment appointment to a full or part-time limited or unlimited position in the Career Service, whichever is later; or the effective date of a re-instatement appointment.
- C. Interim PEPR: A PEPR prepared prior to an employee's Merit date whenever an employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action.
- D. Merit Increase: Periodic increase to an employee's base rate of pay determined by an employee's PEP rating and current pay step.
- E. Merit Payment: Lump sum payment of one percent (1%) of an employee's current annual salary (before any applicable withholding) determined by the employee's PEP rating and current pay step. A merit payment will not increase an employee's base rate of pay.
- F. Merit Date: The date the employee's annual evaluation period concludes. For employees hired prior to January 1, 2008, it is the PEPR Evaluation End date they had as of December 31, 2007. For employees hired or re-hired on or after January 1, 2008, the Merit date will either be the sixteenth of the month in which the employee's anniversary date occurred or the first of the month following the employee's anniversary date, whichever date is closest after the anniversary date. Employees hired on the first or sixteenth of a month on or after January 1, 2008 will retain their date of hire as their Merit date.
- G. PEP Plan: The written plan that is provided to an employee setting forth the performance standards and measures against which an employee's performance is evaluated each year in an employee's PEPR.

- H. PEPR Due Date: Thirty calendar days after an employee's Merit date. If the PEPR Due date falls on a day the Career Service Authority ("CSA") is not open for business, it shall be construed to be the next working day.
- I. PEPR Review Date: The date an employee's PEPR is reviewed with an employee.
- J. Performance Enhancement Program (PEP): The performance evaluation system used by the City and County of Denver for Career Service employees.
- K. Performance Enhancement Program Report (PEPR): The report of an employee's performance evaluation that is provided to an employee each year by the employee's supervisor.
- L. Performance Rating: The rating that is included in an employee's PEPR which is either "exceptional," "successful" or "needs improvement."

Section 13-20 Performance Enhancement Program

The purposes of the Performance Enhancement Program ("PEP") are to outline job expectations, establish performance standards and measures, encourage and support professional development, provide on-going performance feedback, and evaluate performance.

- A. Upon appointment to a position, or the assignment of substantially different duties, the employee's supervisor shall complete a PEP plan and review it with the employee.
- B. The PEP plan may be used as a basis for disciplinary action under Rule 16 DISCIPLINE if an employee's performance fails to comport with the standards set forth in the PEP plan.

Section 13-30 PEP Process

A. PEP Reporting Requirement

1. All employees, except those holding on-call positions, shall have their performance formally evaluated and rated once a year.
2. Each employee's performance rating shall be reflected in an official CSA Performance Enhancement Program Report ("PEPR") form, which shall be reviewed with the employee and submitted to CSA no later than thirty (30) calendar days after an employee's Merit date.
3. Documentation specifically detailing the reason(s) for an employee's performance rating shall be provided to CSA and the employee. Failure to provide such documentation to CSA shall result in the PEPR being returned to the appointing authority.
4. The PEPR and any supporting documentation shall be made a permanent part of the employee's official personnel record.

B. Interim PEPRs

1. Whenever an employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action, an interim PEPR shall be completed by the employee's former supervisor immediately preceding the change. When the employee's current supervisor terminates employment with the City, the next level manager will be responsible for completing the interim PEPR. This report shall cover the period from the last Merit date to the effective date of the transaction and shall be given to the receiving supervisor.
2. If an employee's supervisor or next level manager fails to complete an interim PEPR and submit to CSA within thirty (30) calendar days after the transaction date, a rating of "Successful" shall be granted for the relevant period.
3. The receiving supervisor shall prepare a PEPR for the period between the effective date of the interim PEPR and the Merit date. The overall performance rating should take into account the performance rating on the interim PEPR and the employee's current performance in proportion to the time spent in each assignment. Nothing herein shall prevent an employee from receiving an overall annual rating of "needs improvement," even if the interim PEPR was "successful" or "exceptional."

C. Performance Ratings

An employee's overall performance shall be rated in an employee's PEPR as one of the following:

- | | |
|---------------------|--|
| Exceptional - | Consistently surpassed performance standards. |
| Successful - | Consistently achieved performance standards. |
| Needs Improvement - | Failed to meet critical performance standards. |

Section 13-40 "Needs Improvement" Rating Procedure

- A. If an employee's annual performance rating is expected to be "Needs Improvement," the department or agency shall advise the employee of the expected rating a reasonable time in advance, but not less than seven (7) calendar days prior to the PEPR Review date, and shall allow representation at the meeting to review the PEPR in accordance with the provisions of Rule 15 CODE OF CONDUCT.
- B. If an employee's annual performance rating is "Needs Improvement," the employee will not be eligible for a merit increase or merit payment for that evaluation period unless the PEPR is more than thirty (30) calendar days late, in which case the provisions of Section 13-61 D Failure to File PEPR will determine the employee's eligibility for a merit increase.
- C. The employee shall be provided with a PIP no later than ten (10) calendar days after the PEPR Review date.

Section 13-50 Grievances and Appeals Relating to PEPRs

- A. An employee may grieve any performance rating pursuant to Rule 18 DISPUTE RESOLUTION.
- B. An employee may appeal a grievance of a “Needs Improvement” rating in accordance with Rule 19 APPEALS. Appeals of grievances of other ratings are not permitted.
- C. An employee may not grieve or appeal any other aspect of the Performance Enhancement Program.

Section 13-60 Eligibility for Merit Increases and Merit Payments

- A. Eligibility for merit increases and merit payments is based on employee performance as measured by a PEPR. Employees who hold positions in classifications contained in the Undersheriff pay schedules are not eligible for merit increases or merit payments under this Rule 13.
- B. The amount of an employee’s merit increase, if any, or an employee’s eligibility for a merit payment, shall be based on an employee’s overall annual performance rating reflected in the PEPR in accordance with the following table:

Performance rating	From step 1 to 10 for non-exempt and 1 to 12 for exempt	From step 11 to 16 for non-exempt and 13 to 18 for exempt	Step 17 for non-exempt and from step 19 to 21 for exempt	Step 18 for non-exempt and 22 for exempt
Exceptional	3 steps	2 steps	1 step	Merit payment
Successful	2 steps	1 step	Merit payment	Merit payment
Needs Improvement	No increase	No increase	No increase	No increase

- C. No employee shall receive a merit increase that exceeds the highest rate of pay in the pay grade assigned to the employee’s job classification.
- D. The funding for merit increases and merit payments is provided in the annual appropriation ordinance. The number of steps reflected in subsection 13-60 B may be adjusted from year to year. The award of merit increases and merit payments is contingent upon this annual appropriation being approved by City Council. In case of a conflict between ordinance and these rules, the ordinance will prevail.
- E. In the case of a declared fiscal emergency by the Mayor, and upon the request of the Mayor, there will be no merit increases or merit payments awarded for increments of at least one year. During the declared fiscal emergency appointing authorities, managers and supervisors shall complete PEPRs for employees, but no merit increases or merit payments will be awarded during this time.

13-61 Merit Date:

- A. General Provision: If an employee is eligible to receive a merit increase or merit payment, it will be effective on the Merit date.

- B. Late filing of PEPR: If a department or agency prepares an employee's PEPR after the Merit date, any merit increase or merit payment to be awarded as a result of the performance rating shall be granted retroactively to the Merit date.
- C. Failure to file PEPR:
1. If a PEPR is not received in the office of CSA within thirty (30) calendar days after the Merit date, a merit increase, equivalent to the step the employee would have received for a "Successful" rating, shall be granted retroactively to the Merit date.
 2. If the PEPR is received after the thirty (30) calendar days and it shows an "Exceptional" rating, any corresponding increase in merit pay shall be granted retroactively to the Merit date.
 3. If the PEPR is received after the thirty (30) calendar days and it shows a "Needs Improvement" rating, the employee shall continue to receive the merit increase, if any, associated with a "Successful" rating, but the PEPR evidencing the "Needs Improvement" rating will become part of the employee's record.
 4. Supervisors or managers who are responsible for the submission of PEPRs to CSA and file a PEPR more than thirty (30) calendar days after the Merit date may be subject to discipline for failure to perform assigned duties.

13-62 On-call Employees and Employees in Other Pay Schedules

- A. On-call employees are not eligible for merit increases or merit payments.
- B. Positions in the community rate and short range pay schedules are on-call, accordingly, merit increases or merit payments are not available. However, employees in these schedules may advance one (1) pay step in the pay range upon the approval of the appointing authority, except during a declared fiscal emergency, after having served:
1. Two consecutive annual terms (an annual term is a minimum of three hundred (300) hours); or
 2. One term and completion of a certificate program as approved by the appointing authority.
- C. The Training pay schedule only has one step; accordingly merit increases cannot be granted.