



Mississippi State Personnel Board

Variable Compensation Plan for Fiscal Year 2022
Implementation of Project SEC²
Effective January 1, 2022

Statement of Purpose

- Policies derived from relevant common language which appears in agency appropriation bills
- Identifies compliance language and legislative intent
- References language while recognizing specific exemptions

Implementation of Legislative Intent

- Any action deemed to be a special circumstance and approved by the Board must be reported by the agency and the MSPB monthly to the Chairmen of the following House and Senate Committees:
 - Appropriations
 - Accountability, Efficiency, and Transparency

Coverage of Policies

Covered

- State service employees/positions
- Non-state service employees/positions excluded but subject to MSPB salary setting authority

Not Covered

- Non-state service agencies
- Non-state service occupations
- Designated positions within MDAC, MDA, and MDE

Salary Determination

- Every classification is assigned to a Pay Plan and Grade
- Each Grade has a minimum, market, and maximum salary
- There are four zones established within each grade that provide guidance for agencies in making salary decisions
- Agencies should maintain equity by considering peers within the same job family who possess similar attributes
- All salary determinations are subject to equity audits by MSPB

Salary Zones 1 and 2

- Zone 1 – Entry Level – meets minimum qualifications with little or no prior related experience.
- Zone 2 – Has minimal prior closely related experience
- Salary decisions in Zones 1 and 2 are made at the agency level

Salary Zone 3

- Zone 3 – has previous closely related experience and a demonstrated ability to perform assigned duties
- Salary decisions in Zone 3 require State Personnel Director or designee approval prior to processing

Salary Zone 4

- Zone 4 – reserved for those employees who have exemplary performance, a broad and deep knowledge of the position, and/or possess scarce skills or licenses/certifications that are highly valued in the market
- Salary decisions in Zone 4 require MSPB approval with the exceptions noted on the next slide or salary scales in statute

Zone 4 Automatic Qualifiers

- Certain qualifications are authorized by the MSPB to give immediate access to Zone 4 without a separate request presented to and approved by the MSPB and are exempt from the 10% maximum increase for in-range adjustments. These qualifications include:
 - Certified Examiner in Charge
 - Chartered Financial Analyst
 - Certified Financial Examiner
 - Certified Internal Auditor
 - Certified Insurance Examiner
 - Nursing Home Administrator
 - Certified Public Accountant

Compensation Delivery Mechanisms

- Title Change
- Promotion
- In-Range Adjustments
- Demotion
- Legislative Increases
- All agency salary decisions are subject to equity audits by the MSPB staff before or after approval

Title Change

- May be upward, downward, or lateral
- May be processed if cost neutral
- Special Circumstance language is still applicable
- All filled title changes from the worker level to the supervisor level require MSPB approval
- All other title changes shall be approved by the State Personnel Director or his designee
- Total maximum increase for Title Change is 15%
- Exceptions to 15% max if changing from General Pay Plan to other pay plan OR Medical Pay Plan employees with advanced certification

Promotion

- Employee applied for a posted position rather than having a title change
- Considerations for salary determination should include how many pay grades are between the old and new title, current salary in relation to peers in the same pay grade, and performance reviews
- Total maximum increase for Promotion is 15%
- Exceptions to 15% max if changing from General Pay Plan to other pay plan OR Medical Pay Plan employees with advanced certification

In-Range Adjustment

- Salary adjustments under this mechanism are capped at a cumulative total of 10% per fiscal year
- Three mechanisms:
 - Salary Progression – additional duties, higher responsibility, performance, longevity, and licensure/degree/certification
 - Equity – relationship of employee’s salary to the salary of other similarly situated employees within the agency
 - Immediate Labor Market Change – to address retention, the work performed is critical, and replacing employees is difficult

Demotion

- Employees may experience a demotion for three reasons, and guidance is provided for salary determination:
 - Voluntary Demotion within 12 months – reduce pay by amount of promotional increase received
 - Voluntary Demotion after 12 months – reduce pay to appropriate level within new range based on qualifications and peers
 - Involuntary Demotion due to Discipline/Performance – reduce pay to appropriate level within the new range

Legislative Increases

- Direct appropriation from the Legislature based on:
 - Performance
 - Cost of Living
 - Market Adjustment

Additional Compensation

- Additional form of compensation to employees in the delivery of essential services within or outside of the standard work schedule or workplace. These include:
 - Extensive Travel
 - Standby
 - Call Back
 - Shift Pay
 - Special Duty Pay
 - Type/Duty/Location Pay

Agency Head Salary Determination

- While assigned to a Tier with a minimum, market, and maximum salary, each agency head's salary will be capped by the market rate and any statutory provisions that are applicable
- Board must approve any decrease

Salaries that Exceed the Agency Head

Mississippi Code Annotated Section 25-3-39 establishes a ceiling for salaries in relation to the Governor's salary and that of the agency head. Please refer to this section when making salary decisions for agency heads and salaries that exceed the agency head. In reference to the language contained within this statute, the Mississippi State Personnel Board reviews requests for salary exemptions for select classifications on a case-by-case basis and has determined that the salaries of physicians and actuaries are exempt from Section 25-3-39 of the Mississippi Code Annotated.

Performance Review System Requirements

- Current PRS rating required for processing of personnel actions

Recommendation

- A. Approve the Variable Compensation Plan as presented as a Final Rule; and,
- B. Authorize the Executive Director to make such minor changes to the Variable Compensation Plan with regard to formatting, correction of typographical errors and the like as may be required to facilitate filing, printing and publication.

