

APPENDIX F: Formulas for Calculating Pay

All salary calculations begin with the employee's hourly pay rate. For hourly rates rounding should be done from the 3rd decimal place.

$$\$10.524 = \$10.52$$

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BIWEEKLY	MIDPOINT	3RD QUARTILE
Biweekly = Hourly * 80	<u>(Min + Max)</u>	<u>(Mid + Max)</u>
\$10.00*80 = \$800.00	2	2
ANNUALLY	AS-608 \$10.17-\$19.96	AS-608 \$15.07-\$19.96
Annual = Hourly* 80* 26	<u>(10.17 + 19.96) = 15.07</u>	<u>(15.07 + 19.96) = 17.52</u>
\$10.00*80*26 = \$20,800.00	2	2

PROMOTION

SAME SCHEDULE

$$1 \text{ Grade} = 1.07 * \text{Hourly Salary}$$

$$2 \text{ Grades} = 1.07 \text{ or up to } 1.105 * \text{Hourly Salary}$$

$$3 \text{ Grades} = 1.07 \text{ or up to } 1.14 * \text{Hourly Salary}$$

Employee A

Current hourly salary = \$10.45 (AS-605)

Promoted to AS-607

Must give 7%

$$\$10.45 * 1.07 = 11.181 = \$11.18$$

May give up to 10.5%

$$\$10.45 * 1.105 = 11.547 = \$11.55$$

FROM ONE SCHEDULE TO ANOTHER

(New Max/Current Max) -1 then:

$$< 14\% = 1.07 * \text{Hourly Salary}$$

$$14\% \text{ but } < 21\% = 1.07 \text{ or } 1.105 * \text{Hourly Salary}$$

$$21\% \text{ or } > 21\% = 1.07 \text{ or } 1.14 * \text{Hourly Salary}$$

Current hourly salary \$15.00 (AS-611)

Promoted to MS-513

$$\text{Max AS-611} = \$24.46 \quad \text{Max MS-513} = \$31.46$$

$$(31.46/24.46) - 1 = .2861 = 28.62\%$$

Eligible for a 7 to 14% salary increase

PROMOTION (RED CIRCLE RATE/MAX OF CURRENT PAY LEVEL)

If an employee's pay is "red circled" (frozen above the maximum of the range), the maximum of the range, not the red circle rate, is the rate used to determine pay upon promotion.

$$1 \text{ Grade} - 1.07 * \text{Max of current Pay Grade}$$

$$2 \text{ Grades} - 1.07 \text{ or up to } 1.105 * \text{Max of current Pay Grade}$$

3 Grades - 1.07 or up to 1.14 * Max of current Pay Grade

Example: Employee A is red circled at \$21.00. They are offered a one pay-level promotion from AS-608 to AS-609.

Calculate the promotional pay based on the maximum of Employee A's current pay grade by 7%.

Max of current Pay Grade * 1.07
 \$19.96 (Max of AS-608) * 1.07 = \$21.357 = \$21.36

Note: If the promotion pay is less than what the employee is currently earning, the employee gets no increase upon promotion.

DEMOTION (SAME SCHEDULE OR FROM ONE TO ANOTHER)

Current Hourly Salary / 1.07

Current hourly salary = \$15.00

Employee at AS-609 pay level demotes to AS-608

15.00/1.07 = 14.018 = \$14.02

OPTIONAL PAY LUMP SUM (TEMPORARY) FOR ADDITIONAL DUTIES

LUMP SUM PAYMENT

Hourly Rate * Percentage Increase

\$19.23 * .05 = \$0.96

Hourly Difference * 80 * # of pay periods duties are performed

\$.96 * 80 * 14 = \$1,075.20

RECURRING BIWEEKLY PAYMENT

Hourly Rate * Percentage Increase

\$19.23 * .05 = \$0.96

Hourly Difference * 80 = Biweekly Recurring Payment

\$.96 * 80 = \$76.80

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DETERMINING CORRESPONDING ADJUSTMENT AMOUNT

% Difference = $\frac{\text{New Hire Rate}}{\text{Old Hire Rate}} - 1$

Old hire rate = \$15.00 New hire rate = \$17.50

$(17.50/15.00) - 1 = .1666 = 16.67\%$

GRANTING CORRESPONDING ADJUSTMENT INCREASE

1 + (Proposed % Increase) * Current Hire Rate

Current salary of \$16.00. Agency decided on 3% corresponding adjustment.

\$16.00 * 1.03 = \$16.48