

To: Montgomery College Employees

From: Krista Leitch Walker, Vice President/Chief Human Resources Officer

Subject: **Compensation Procedure Modifications**

Date: June 29, 2021

This memo is to update employees about important changes to the College’s compensation procedures.

Montgomery College’s compensation programs provide a competitive level of total compensation that attracts and retains qualified employees, reflects prevalent wages and salaries in relevant labor markets, and ensures that jobs and salaries bear equitable relationships to one another. Montgomery College embraces a comprehensive approach to managing the competitiveness of our total compensation program, which, in addition to base pay, includes our wide array of benefits, personal and professional development, and recognition awards.

On January 1, 2018, the College transitioned to a market-based pay system. Implementing our new compensation philosophy/system required a thorough review of our compensation policies and procedures, [P&P 35001](#) and [35001CP](#), to ensure adequate alignment of the new structure while at the same time ensuring the fiscal sustainability for the long term. The Board of Trustees’ endorsement of the new compensation program and the recommendations for changes in our policies and procedures recognized how important it is for the College to be the employer of choice ensuring our success to attract and retain a highly qualified and engaged workforce.

The following table provides a summary of the approved compensation procedure modifications.

| Compensation Award | Current Procedure | Proposed Modification | Effective Date |
|--------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------|
| Degree Attainment Award | An increase added to base salary equal to the FY increment for the attainment of a higher-level degree. | A one-time, lump-sum payment of \$1,500 for the attainment of a higher-level degree. | July 1, 2020 |
| Longevity Award | An increase added to base salary of \$1,560 | A one-time, lump-sum payment of \$1,560. | July 1, 2021 |

| Compensation Award | Current Procedure | Proposed Modification | Effective Date |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| | when an employee, with satisfactory performance, has been at the top of the salary range for five consecutive years. | | |
| Internal Equity Reviews | Employees may initiate review request in January in any given year. | An administrator may initiate a review of an employee's salary at any time with CHRO approval. Salary adjustments are approved by the Chief Business Officer and SVP of AFS. | July 1, 2021 |
| Salary Adjustment Upon Reclassification and Promotions | An employee's salary is increased based on the percent increase in alignment with the salary grade mid-point progression, plus an additional two percent for each additional grade. | Salary increases will be in accordance with established guidelines based on the employees' salary within the promotion salary range. Internal candidates will be eligible to have their salary placement determined similar to that of an external candidate. | July 1, 2021 |
| Overtime Pay | Upon approval, staff employees who are classified as exempt under the FLSA are entitled to overtime pay, at their straight hourly rate, for hours worked in excess of 40 hours in a week. | Staff employees who are classified as exempt under the FLSA are not eligible for overtime pay. See Special Project Pay below. | July 1, 2021 |

| Compensation Award | Current Procedure | Proposed Modification | Effective Date |
|---------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Special Project Pay | N/A - NEW | Staff exempt employees may receive a temporary increase in base salary ("special project pay") when serving in a critical role in a major College initiative for an approved project. | July 1, 2021 |

Please feel free to e-mail the [HRSTM Classification and Compensation Team](#) with questions. Additional information will also be available on the [Compensation page](#) of the HRSTM website and in the [Employee Matters](#) e-newsletters.