# 18 DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

389 BUREAU OF HUMAN RESOURCES

Chapter 5 COMPENSATION PLAN

SUMMARY: This chapter defines the compensation plan in terms of fixed salary schedules as adopted, published and amended for covered classes of work in Maine State Service. It identifies regular weekly/hourly rates, presents overtime provisions and gives rates of pay for specific personnel actions such as new-hires, promotions, demotions, transfers, non-standard work designations and project appointments.

1. NATURE OF THE COMPENSATION PLAN

A. Use and Structure of Salary Schedules

The pay of classified and covered unclassified employees shall be on the basis of appropriate weekly schedules or hourly wage rates as adopted and published by the Director of Human Resources for the respective classes of positions. Each schedule shall consist of an entrance rate, intermediate rate or rates, and a maximum rate except for those classes where a flat or single rate is prescribed by the Director. The schedule of weekly salaries and hourly wage rates, including amendments made in accordance with the Civil Service Law and these rules, shall constitute the official compensation plan for all covered classified and unclassified positions.

B. Full-Time Basis of Salary Schedules

1. Standard Conditions

The salaries provided in the standard salary schedules are fixed on the basis of full-time service for work weeks of 40 hours.

2. Non-Standard Conditions

The salary rates for classes of positions specified by the Director of Human Resources as "non-standard", and so identified in the official Salary Schedule, are established on the basis of full-time service for the variable work week required by working conditions or outside operating duty.

C. Application of Salary Amounts

1. Total Remuneration

Any salary paid to an employee in the classified service shall represent the total remuneration for the employee, not including reimbursements for official travel. Except as otherwise provided, no employee shall receive pay from the state in addition to the salary authorized under the schedules provided in the pay plan for services rendered, either in the discharge of ordinary duties, or the performance of any additional duties which may be imposed, or which may be undertaken or performed voluntarily.

2. Subsistence and Maintenance Allowances

Subsistence or maintenance allowances received in lieu of cash shall be considered as part of the total salary. Whenever subsistence or maintenance is allowed in lieu of cash, a schedule of such maintenance together with a statement of the policy and rules to be followed in making charges therefor shall be submitted by the appointing authority for the approval of the Director of Human Resources.

3. Salaries of Professional, Technical, and Administrative Personnel

The salary schedules for professional, technical, supervisory and administrative positions, while generally based on the standard work week, are intended to include compensation for such additional time as may be required to satisfactorily perform the duties of the respective positions.

4. Hourly Rates Allowed

Weekly rates of pay shall be paid except that on certification by an appointing authority that payment of weekly rates for certain classes within his/her jurisdiction is not feasible because of the variable, temporary or intermittent nature of the work, the Director of Human Resources may authorize the payment of hourly rates for the classes concerned. Such hourly rates shall be from among those published in the salary schedule for the particular class of work involved.

2. MAINTENANCE OF THE COMPENSATION PLAN

A. Determination of Salary Amounts

Salary ranges shall be linked directly to the classification plan and shall be determined with due regard to:

1. Ranges of pay for other classes;

2. The relative difficulty and responsibility of work in the several classes;

3. The recruiting experience of the state, and the availability of employees in particular occupational categories;

4. Prevailing rates of pay for similar employment in private businesses in the state and in other governmental jurisdictions;

5. Cost of living factors; and

6. The financial policies of the state, and other economic considerations.

The minimum and maximum rates of pay ranges assigned the several classes shall be those which most nearly reflect these factors.

NOTE: Range differentials are now made in accordance with the Hay Point-Factor Evaluation System. Factors include: know-how, problem solving, accountability and working conditions.

B. Adjustment of Salary Amounts

In advance of the convening of the regular sessions of the legislature as well as at other times, the Director of Human Resources shall make or cause to be made such comparative studies as deemed appropriate of factors affecting the levels of salaries in the classified service. On the basis of information derived from such studies and after consultation with appointing authorities, fiscal authorities of the state, and others, the Director shall recommend appropriate changes in the compensation plan.

C. Effects of Revisions

On the effective date of an amendment to the compensation plan, the rates paid to employees in positions of any class for which a pay range is established or changed, shall be adjusted as follows:

1. Range Determination Increased or Unchanged

If the effect of the amendment is to provide a pay range approximately equal to or higher than that previously in force for positions of the class, the salary rate of any employee who is paid at or below the maximum of the range prescribed for the class shall be adjusted to that step in the newly established range of the class which corresponds to the step at which the employee was paid prior to the amendment.

2. Range Determination Lowered

If the effect of the amendment is to provide a pay range lower than that previously in force for positions of the class, the salary rate of any employee paid at or below the maximum of the range prescribed for the class shall not be adjusted unless an adjustment to the next lower step should be necessary to place the employee at a step in the new range; and in such case the salary rate of any employee paid at a rate in excess of the maximum for the range prescribed for the class shall be reduced to the maximum rate in the range prescribed for the class.

3. ADMINISTRATION OF THE COMPENSATION PLAN

The following provisions assume that funds are available and that expenditures have been authorized by the appropriate fiscal authorities of the state.

A. Beginning Salary

1. Original Appointment

a. The minimum rate of pay for a class shall normally be paid upon appointment to the class; except that:

b. Upon written certification by the appointing authority, that original appointment at one of the salary steps above the minimum rate is justified by exceptional qualifications of the eligible or by lack of available eligibles at the minimum rate, the Director of Human Resources shall consider the pay rates of employees in the same class and agency, and may authorize such appointment provided other eligibles and employees in the class having similar qualifications are offered the same rate.

2. Transfer, Promotion or Demotion

When an employee is transferred, promoted or demoted, the rate of pay for the new position shall be determined as follows:

a. If the rate of pay in the previous position is less than the minimum rate established for the class of the new position, this former rate of pay shall be advanced to the minimum for the class of the new position.

b. If the rate of pay in the previous position is more than the maximum rate established for the class of the new position, this former rate of pay shall be reduced to the maximum step within the range for the class of the new position.

c. If rate of pay in the previous position falls within the range of pay established for the class of the new position, this former rate shall be adjusted to the next higher rate of pay in case of promotion, next lower rate in case of demotion, or remain unchanged in the case of transfer.

NOTE: Prior to implementation of the October 1976 salary adjustment, salary schedules were structured in a manner which provided intervals of approximately five percent (5%) between ranges and steps. To maintain consistency with this past practice, the following policy is now in effect for determining rates of pay in instances of transfer, promotion and demotion:

1. Transfer. Rate of pay remains unchanged.

2. Promotion. Rate of pay adjusted to lowest rate in new class which is at least 5% higher than rate in class from which promoted.

3. Demotion. Rate of pay adjusted to highest rate in new class which is at least 5% lower than rate paid in class from which demoted.

d. Upon promotion, increases of more than one step may be made with the approval of the Director of Human Resources.

3. Reinstatement from Layoff

If a former employee is reinstated from a layoff register in a class in which previously employed, the appointing authority shall make the appointment at the same step in the pay range as the employee had been paid at the termination of service.

4. Reemployment

If a former employee is reemployed in a class in which previously employed, the appointing authority may make an appointment at the same step in the pay range as the employee had been paid at the termination of service.

5. Provisional to Regular Appointment

a. Same or Comparable Class of Work. If a provisional employee subsequently receives an appointment to a position in the same or comparable class after regular certification from an eligible register without interruption in service to the state, the employee shall be eligible to continue in his/her regular appointment at the same rate of pay he/she was receiving as a provisional employee.

b. Lower Class of Work. Upon written recommendation of the appointing authority, a provisional employee who is appointed, by regular certification from an eligible register without interruption in service to the state to a position in a class having a lower salary range, may be appointed at a salary rate within the range which does not exceed one step for each year of continuous service.

6. Project Employment

For employment on a strictly non-recurring project duty, the Director of Human Resources may authorize, as necessary due to recruiting difficulties, a rate of pay which may exceed the maximum of the range provided by not more than 50%. In any case authorized because of the project nature of the work the employee shall not be entitled to vacation, sick leave or holidays.

B. Subsequent Salary Adjustments

1. Merit Increase Awards

a. Salary adjustments within an established range shall be dependent upon specific written recommendations by the appointing authority, which shall be based upon standards of performance as indicated by service ratings or other pertinent data.

b. Ordinarily, increases in salaries shall not be more than one step, and shall not be made more often than once every 12 months, except that an appointing authority may propose salary increases of more than one step or more frequently than once every 12 months upon detailed written statements to the Director of Human Resources specifying the employee's exceptional performance or the unusual employment conditions that make such action necessary.

c. The Director of Human Resources shall review each request for an increase of more than one step in the pay range for the class, giving due consideration to the salary rates paid other employees in the same class and agency, and may deny any request which is judged to be contrary to the best interest of the service.

d. Every appointing authority shall at least once in every 12 months review the work performance of each employee to determine whether the rate of pay of that employee should be advanced to the next step in the range and shall advise the employee in writing of his/her determination, and reasons therefor.

2. Salary Decreases

An appointing authority for just cause may reduce the salary of an employee within the salary range prescribed for the class. In the case of a permanent employee, notice of intention to effect a reduction in pay and reasons for such action shall be given to the employee and to the Director of Human Resources at least seven (7) calendar days prior to the effective date of the reduction. The permanent employee so affected may appeal a reduction in salary under provisions of Chapter 13 as annotated.

4. REQUIREMENT OF AGENCY COMPENSATION PLANS AND PRACTICES

A. Regular Hours of Work.

1. Each appointing authority shall, within 60 days of the effective date of these rules, prepare and submit to the Director of Human Resources for approval a schedule of the regular hours of work for each class of position in each organizational unit under his/her jurisdiction.

2. Such schedule shall, insofar as operational necessities permit, establish a work week of no less than 40 hours.

3. Where such schedules establish a work week in excess of forty (40) hours for an employee or employees in any class of positions not exempted on basis of non-standard or professional, technical or administrative designation, the Director of Human Resources shall consider the need for, and may authorize the compensation of such employee or employees on an overtime basis. Such extended work weeks shall be reported and justified as requested by the Director.

4. Upon the approval of work schedules by the Director of Human Resources, the appointing authority shall post or otherwise distribute to employees under his jurisdiction such schedules.

B. Overtime Provisions

1. The employment and work program of each agency or organizational unit should be so arranged as to reduce to a minimum the necessity for overtime work except under emergency conditions; and

2. Each appointing authority requiring or permitting work beyond the scheduled regular work week shall prepare written regulations governing such overtime which shall include the following:

a. Conditions under which compensatory time off may be accrued, and used, including the policies to be followed at the time an employee is separated from service; and

b. Conditions under which cash payment for overtime is authorized; and

c. Conditions under which neither compensatory time off nor overtime payment in cash will be allowed.

3. Such regulations governing overtime shall be effective when approved by the Director of Human Resources and shall remain in effect until canceled in writing by the appointing authority or the Director.

4. The appointing authority shall post or distribute copies of regulations so approved in order to inform affected employees.

5. Overtime work required shall be reported and justified as requested by the Director of Human Resources.

C. Overtime Compensation Guidelines

1. Eligible employees shall be compensated for authorized overtime by equal time off or by payment in cash at the straight time rate.

2. Compensation for overtime work shall be at rates which the Director of Human Resources deems advisable and these rates shall be based on the regular rates of pay provided in the salary plan.

3. Only such hours shall be compensated as are worked in excess of a forty (40) hour work week.

4. No compensatory time off or cash payment for overtime work ordered by the appointing authority or voluntarily performed by an employee shall be allowed unless regulations are effective as provided under Section 4B of this chapter.

5. Approved overtime accumulated in any calendar year shall ordinarily be liquidated by compensatory time off or, if such action is not practicable, by payment in cash, within six months after the end of the calendar year, upon approval by the Director of Human Resources and certification by the State Budget Officer that funds are available.

6. Employees who occupy professional, technical, and administrative positions specified by the Director of Human Resources shall not be eligible for overtime compensation.

7. Employees whose work week under normal conditions of employment is irregular and who are compensated on the basis of a "non-standard" work week, as specified by the Director of Human Resources and identified in the Salary Schedule, shall not be eligible for credit and granting of overtime compensation.

8. Complete records of overtime shall be maintained by each department head and no additional overtime will he allowed when accrual for time off purposes has reached eighty (80) hours, until such accrual shall have been reduced by time off or by payment in cash.

9. No allowance of any kind shall he provided for overtime work not authorized by the appointing authority or his properly constituted representative.

NOTE: In 1974, the provisions of the Fair Labor Standards Act (FLSA) governing the payment of time and one-half rate for overtime work were extended to include state employees. The Supreme Court of the United States, in 1976, ruled this provision of the Act unconstitutional, and States were no longer obligated to compensate overtime hours at the time and one-half rate. The Personnel Board, however, ruled that it was in the best interest of the State to retain FLSA definitions/provisions governing overtime hours and continued the practice of paying time and one-half rates for overtime worked. Thus, these provisions, including exemption determinations under FLSA (classes ruled to meet definition of Executive, Administrative or Professional) remain in effect together with these rules.

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