

RESOLUTION NO. 32684

A RESOLUTION AUTHORIZING REVISIONS TO THE EMPLOYEE INFORMATION GUIDE (EIG) POLICY (9.0 COMPENSATION, SECTION 9.10 ON CALL PAY) TO DOUBLE ON CALL PAY, TO COMPLY WITH BUDGET AMENDMENT PASSED BY CITY COUNCIL ON SEPTEMBER 9, 2025, FOR IMMEDIATE IMPLEMENTATION AND TO BE APPLIED RETROACTIVELY TO JULY 1, 2025.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing revisions to the Employee Information Guide (EIG) Policy (9.0 Compensation, Section 9.10 On Call Pay) to double on call pay, to comply with budget amendment passed by City Council on September 9, 2025, for immediate implementation and to be applied retroactively to July 1, 2025.

ADOPTED: October 28, 2025

/mem



City of Chattanooga Employee Information Guide

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The Chief Human Resources Officer for the City of Chattanooga is required to set forth and maintain a compensation plan, which is the official pay plan for all positions in City Government and for those employees who work for the City, with the exception of elected officials. It is the intention of the City of Chattanooga to use a compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent incumbent. The system used will be objective and non-discriminatory in theory, application and practice. The policies and procedures of the City's pay plan are on file in the Human Resources Department, as well as available through the City's website and employee portal (ePortal). All questions related to compensation must be directed to the Human Resources Department Compensation Division.

9.1 Personnel Complement Control

The personnel complement for all Departments comprising City of Chattanooga Government is recommended by the Mayor in the administration's budget proposal and approved and funded by the City Council each fiscal year. Control and maintenance of the authorized complement of all City Departments is the responsibility of the Chief Human Resources Officer and the City Finance Officer.

POLICY

Any request for employment, promotions, lateral transfers, demotions, or other transactions that alter in any way the number of positions by job titles for any Division and its Departments will be checked by the Human Resources Compensation Division against the authorized complement prior to approval or denial of the request by the Chief Human Resources Officer or designee. When an appointing authority desires to adjust the

personnel complement of the Department or its departments or changes in job titles and/or grades, the requesting appointing authority must submit to the Chief Human Resources Officer or designee a Change Request Form. Such requests must include written justification from the requesting appointing authority or designee for the complement change. The request of an appointing authority to adjust the Department complement may be subject to a job evaluation which will be determined by the Chief Human Resources Officer or designee.

9.2 Employee Pay

The City makes every effort to ensure that employees receive their pay on time. City employees shall be paid generally through direct deposit on a bi-weekly basis, with payday being every other Thursday. Employees with questions about their pay should contact the designated pay clerk for their division/department within the pay period in question or immediately thereafter. If a pay clerk is not available, contact the City Payroll Office.

1. Final Pay – Employees who separate from City employment shall be paid their wages in full on the next regular payday, not to exceed twenty-one (21) days from the date of separation. In unusual circumstances, a Department Head may make arrangements for earlier payment.
2. Lost Paychecks – Employees are responsible for their paychecks after they have been issued. Checks lost or otherwise missing should be reported immediately to the Payroll Office so that a stop-payment order may be initiated. The Payroll Office shall determine if and when a new check should be issued to replace a lost or missing check. This replacement check may take up to seven (7) days, depending upon the circumstances.
3. Unclaimed Paychecks – Paychecks not claimed by employees within one (1) week of the date issued must be returned by the supervisor to the Payroll Office.

If an employee is absent on payday and does not receive pay by direct deposit, the employee may have someone else pickup his paper check. The paycheck shall be provided to that individual if the designee provides the employee's identification and written authorization signed by the employee.

9.3 Employee Time Records

All non-exempt employees are responsible for recording all actual hours worked using the Department's time reporting procedures. Department Heads and supervisors shall review and sign all-time records. The following rules shall apply to time reporting procedures for non-exempt employees:

1. Employees are responsible for recording their starting time, quitting time and total hours worked for each work day;
2. Sign in/clock in before employees' normal starting time or to sign out/clock out late after their normal quitting time are not permissible without the prior approval of their supervisor;
3. Employees shall not remove a timesheet/timecards from the designated employee area or leave the premises with said timesheet/time card;

4. Employees given permission by their supervisor to leave their job assignment for any purpose besides City business during work hours must sign/clock out when leaving and sign in upon returning to work, unless otherwise directed by their supervisor in writing;
5. An employee failing to properly sign their timesheet/timecard must have it immediately approved and initialed by a supervisor or Department Head to ensure payment for hours worked; and
6. No unauthorized representative/employee shall mark on another employee's time sheet/timecard. Employees that alter another employees' time sheet/timecard shall be subject to disciplinary action.

Failure to properly record hours worked may result in not being paid for those hours in question on the timesheet. Continued non-compliance shall result in disciplinary action.

9.4 Reporting Pay

Reporting pay will be granted when employees report for work and no work is available. Reporting pay will not be granted if the lack of work is the result of conditions beyond the City's control, if the City makes a reasonable effort before starting time to notify employees not to report, or if employees refuse to accept other available work that they are qualified to perform. Employees will be granted four (4) hours reporting pay. Personal Leave (PTO) or compensatory time may be used to make-up for pay that would otherwise be lost.

9.5 Breaks and Lunches

BREAKS

The City will allow employees up to two (2) rest breaks during each workday. Non-exempt employees are permitted to take two (2) fifteen (15) minute rest breaks. Depending on the department, the schedule of rest breaks may be set by the employees' immediate supervisor with the goal of providing the least possible disruption to City operations. Non-exempt employees on rest breaks are not required to clock in and out because this time is considered "time worked" and is compensable. Exempt employees, as they are paid a salary regardless of the hours they work, may choose to take breaks as needed.

These rest breaks are a privilege and not a right and should be taken at times that do not interfere with service to the public. If an employee chooses not to take advantage of rest breaks, then this time may not be accumulated and added to lunch periods or any type of leave. A rest break may not be used to alter arrival or departure time and may only be used in conjunction with the lunch period when authorized and approved in advance by the supervisor.

The City will provide a private location for employees who utilize break time for lactation. Employees are encouraged to contact the Human Resources Department for any assistance in identifying private locations.

LUNCH PERIOD

Each employee shall have a minimum of a thirty (30) minute unpaid meal period (one hour maximum) if scheduled to work six (6) hours consecutively. The meal period shall not be scheduled within the first or last hour of the scheduled workday or shift, unless specifically authorized by the immediate supervisor. If an employee needs to request additional time for a lunch period, the employee is encouraged to discuss Flextime options in advance with their supervisor.

The lunch period shall be deducted from the number of regular hours worked for an employee's normal workday. The time and duration of the lunch period for specific employees, work sites or crews shall be determined by the Department Head.

9.6 Payroll Deductions

By law, the City is required to deduct, where applicable, federal withholding taxes, state income taxes (as applicable), Social Security taxes (except sworn employees), Medicare, and garnishments from an employee's pay. Below is information regarding federal and social security taxes as well as other possible deductions:

1. Federal Income Tax – Federal taxes are withheld from employees' pay based on the number of dependents claimed by each individual. Supplemental payments are taxed at the twenty-five percent (25%) rate. Employees are required to file with the City a copy of the W-4 form. In the event of changes in the employee's exemption status, a revised W-4 form must be filed before payroll deduction adjustments will be made.
2. State Income Tax – Employees residing outside of Tennessee are encouraged to complete the state income tax withholding for their respective state of residence. This should be completed electronically in the existing City system.
3. Social Security – Social Security payments and deductions will be made according to the Federal Insurance and Compensation Act (FICA). The Finance Department shall keep such records and make such reports as may be required by applicable state and federal laws or regulations.
4. Medicare – Medicare payments and deductions will be made according to federal law. The Finance Department shall keep such records and make reports as may be required by applicable state and federal laws or regulations.
5. Others - Other City authorized deductions will be made from an employee's pay only with the employee's signed consent. The list below is an example of other deductions and is not all inclusive:
 - a. Medical/Dental/Vision insurance
 - b. Life insurance
 - c. Disability insurance
 - d. Deferred compensation payments
 - e. Supplemental insurance approved by the City
 - f. Charity contributions approved by the City

Court-ordered deductions such as garnishments, child support, bankruptcy orders, and tax levies shall be made according to federal, state and local regulations.

9.7 Overtime Pay and Compensatory Time

The Human Resources Compensation Division administers overtime and compensatory time pay policies in compliance with the Fair Labor Standards Act (FLSA.), the Compensation Division is responsible for classifying all City of Chattanooga Government positions either exempt or nonexempt.

The FLSA is a federal law that governs the payment of minimum wage, overtime rates, compensatory time, recordkeeping of hours worked, and other criteria relating to wages and hours of work for non-exempt employees, including government employees. Section 3(s)(1)(C) of the FLSA covers all public agency employees of a State, a political subdivision of a State, or an interstate government agency. Exempt employees neither earn compensatory time nor overtime pay and are excluded by the FLSA.

9.7A Overtime Compensation

Covered, non-exempt employees must be paid overtime at no less than one and one-half (1½) times the employee's regular rate of pay for hours worked in excess of 40 hours in a workweek. Paid Time Off (PTO) counts toward hours worked for the purpose of overtime calculation. Other paid leave types, such as leave of absence, bereavement time, and jury pay do not apply toward work hours. Employees occupying positions solely funded by grants are not eligible for overtime outside of FLSA standards.

Overtime payment principles are different for Firefighters and Police Officers under Section 7(k) of the FLSA:

Firefighters would be entitled to overtime for hours worked over 204 in a 27 days' work period.

Police Officers would be entitled to overtime for hours worked over 80 in a 14 days' work period.

The Chief Human Resources Officer in collaboration with the Fire Chief and Police Chief shall establish written policies on premium compensatory leave and overtime pay calculations for employees engaged in fire protection or law enforcement activities, based on local, state or federal law. Such policies shall comply with the provisions of the FLSA.

9.7B Compensatory Time Off

If an agreement is made between the City of Chattanooga and the non-exempt employee prior to the performance of overtime duties, employees of state and local government agencies may receive compensatory time off (comp time) at a rate of not less than one and one-half (1½) hours for each overtime hour worked in lieu of cash payment for overtime. However, there are some limitations as to how much comp time may be accrued.

Police, Fire Fighters, emergency response personnel and employees engaged in seasonal activities may accrue up to 480 hours of comp time. However, the 480-hour accrual limit will not apply to office personnel or other civilian employees who may perform public

safety activities only in emergency situations, even if they spend substantially all of their time in a particular week in such activities.

Non-exempt civilian employees may accrue up to 240 hours of comp time. Section 7(o)(5) of the FLSA provides that any employee of a public agency who has accrued compensatory time and requested use of this compensatory time, shall be permitted to use such time off within a “reasonable period” after making the request, if such use does not “unduly disrupt” the operations of the agency.

Department Heads can require that compensatory time be used within the same calendar year. The City reserves the right to cash out an employee’s compensation time at any point during the employee’s tenure.

All questions pertaining to policy explanation related to overtime hours, compensatory time, and/or the Fair Labor Standards Act should be referred to the Human Resources Compensation Division.

9.7C Definitions

- **Compensatory time off:** paid time off the job which is earned and accrued by an employee in lieu of immediate cash payment for employment in excess of the statutory hours for which overtime compensation is required by section 7 of the FLSA.
- **Public Safety activities:** includes law enforcement, fire-fighting or related activities.
- **Emergency response activities:** includes dispatching of emergency vehicles and personnel, rescue work and ambulance services.
- **Seasonal activity:** includes work during periods of significantly increased demand, which are of the regular and recurring nature.
- **Unduly disrupt:** an unreasonable burden on the agency’s ability to provide services of acceptable quality and quantity for the public during the time requested without the use of the employee’s services.

9.8 Fill-In Pay for Non-Exempt Employees (Does Not Include Sworn Fire)

When a non-exempt employee fills in or performs substantially all of the duties in a higher classification level either exempt or non-exempt, a six percent (6%) increase will be applied to the employee’s current hourly rate for all hours worked.

9.9 Work Out Of Classification for Exempt Employees

When exempt employees are temporarily assigned higher level responsibilities to fill a vacancy or for a special assignment for a period greater than 30 days, the employee may receive a temporary pay increase for up to six (6) months. The Department Head must gain approval from the Human Resources Department for additional compensation prior to the employee assuming responsibilities significantly outside the scope of their normal job duties. All temporary salary adjustment requests will be reviewed and evaluated by the HR Compensation Division. and all special assignments must be approved by the Mayor’s Office. Department Heads, managers and supervisors are not eligible for additional compensation when performing tasks of subordinates in their department.

Temporary pay will be calculated for employees in the City's General Pay Plan based on the range of the acting capacity position or higher level/salary grade of the duties assumed. The rate of pay shall be at least the minimum rate of the assumed position range or a six percent (6%) increase of the employee's current salary, whichever is greater.

Temporary pay for employees in the Fire and Police Sworn Pay Plans will be calculated as a monthly stipend, and will be based on the assumed rank salary level.

9.10 **On-Call Pay**

On-call service is necessary for the proper maintenance and operation of certain City services. On-call time is defined by departmental needs as a period of time in which an employee is required to be available to report to work at the City's discretion.

Supervisors must review their employee's on-call circumstances to determine the level of restrictions involved. They must determine:

1. The response time required;
2. The average number of times called per week (or a reasonable estimate); and
3. Any limitations required to perform on call work such as tools required.

Supervisors will ensure they have appropriate and updated contact information, including current phone numbers, for on-call employees, and employees designated and compensated for being on-call shall ensure they respond when contacted and report to work when needed. They are also restricted from consuming alcohol or other substances that could impair their ability to respond.

Department Heads are responsible for identifying positions that are subject to on-call provisions. Supervisors shall notify employees in advance of on-call status and the length of time expected to be on-call. For designated on-call non-exempt employees, a rate of one hundred and forty dollars (\$140.00) per week will be paid. If a non-exempt employee is designated to be on-call for less than seven (7) days, then the rate of twenty dollars (\$20.00) per day will be paid. The twenty dollars (\$20.00) per day for on-call pay will be in addition to any call-back pay the employee is entitled to receive.

Employees in positions that have been identified as having on-call responsibilities must be able to meet departmental response time requirements when notified to report to work in person. Department-level policy will establish response time expectations based on operational needs. In the absence of department policy, employees in positions with on-call responsibilities must be able to respond to their designated reporting location within sixty (60) minutes or with notification and approval of supervisor of extenuating circumstances. "First Responders" as defined by Tennessee Code Title 8 Chapter 50 Section 107 are not subject to the 60-minute reporting requirement.

Candidates for positions with on-call responsibilities must demonstrate their ability to meet policy requirements as a condition of employment. Failure to demonstrate the ability to meet response time requirements will result in the candidate not being selected, or rescission of an existing employment offer.

For current employees (as of March 2025) in positions with on-call requirements, relocation to a residence that prevents them from meeting department response time standards may result in position reassignment including potential demotion. Employees considering relocation should consult with their department and Human Resources to ensure that their new residence will allow them to meet established response time expectations.

9.11 Call Back Pay

Non-exempt employees who are unexpectedly called back to their office or work area(s) after normal working hours due to an urgent situation shall receive two (2) regular hours of call-back pay in addition to the actual number of hours worked. This call-back pay shall apply whether adequate response can be achieved by telephone or computer and/or if the employee is needed to physically report to work location(s) in person after normal working hours. If an employee returns home after being called for on-call duty, each additional response required from home will trigger two (2) regular hours of call-back pay plus actual hours worked. If an on-call employee is still onsite or in the field and is called to a subsequent urgent situation they receive only the additional actual hours worked.

Compensable time begins when the employee arrives at the designated work site and starts performing job duties; number of hours worked shall not include the time it takes to travel to and from the office or work area.

If an employee's position may require call-back availability in person, employees must be able to meet departmental response-time requirements when called to report in person. Departments will establish response-time expectations based on operational needs, and candidates for positions with call-back responsibilities must demonstrate their ability to meet these requirements as a condition of employment. Failure to meet the required response time will result in the candidate not being selected for the position.

For current employees (as of March 2025) in positions with call-back requirements, relocation to a residence that prevents them from meeting departmental response-time standards may result in position reassignment including potential demotion. Employees considering relocation should consult with their department and Human Resources to verify that their new residence will allow them to meet established response-time expectations.

Non-exempt employees, with the exception of departments/divisions that have regularly scheduled work shifts twenty-four (24) hours each day-seven (7) days a week, who are unexpectedly called back to their office or a work area due to an emergency situation on an official City holiday shall be paid two (2) hours of call-back pay in addition to the actual number of hours worked at the rate of one and one-half (1 ½) times the employees' hourly rate.

Pay for scheduled overtime, and/or the requirement to unexpectedly report to work early or stay late shall not constitute call-back pay.

9.12 Longevity Pay

Longevity pay is subject to the availability of funds and payments are distributed annually. Regular full-time employees begin participating in the program after five (5) years of eligible service as a reward for their service to the City.

9.13 Pay Rates for Changes in Status

The following pay policies shall be effective in relation to promotions, demotions, transfers and reclassifications. This list is not inclusive.

1. **Promotion** - When an employee is promoted to a position in a higher salary grade, the rate of pay shall be at least the minimum rate of the new position range and not be lower than the employee's current pay rate.
2. **Demotion** - When an employee is voluntarily or involuntarily demoted to a lower salary grade, the employee's rate of pay may be reduced to a lower rate comparable to other employees performing similar job duties.
3. **Transfer** - When an employee is transferred to the same position that is classified in the same salary grade, they may not receive a pay increase.
4. **Reclassification**: When an employee's position is reclassified to a higher salary grade, the employee shall receive a pay increase. When an employee's position is reclassified to a lower salary grade, the demotion process will follow.



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9.7B Compensatory Time Off

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Department Heads can require that compensatory time be used within the same calendar year. The City reserves the right to cash out an employee’s compensation time at any point during the employee’s tenure.

All questions pertaining to policy explanation related to overtime hours, compensatory time, and/or the Fair Labor Standards Act should be referred to the Human Resources Compensation Division.

9.7C Definitions

- **Compensatory time off:** paid time off the job which is earned and accrued by an employee in lieu of immediate cash payment for employment in excess of the statutory hours for which overtime compensation is required by section 7 of the FLSA.
- **Public Safety activities:** includes law enforcement, fire-fighting or related activities.
- **Emergency response activities:** includes dispatching of emergency vehicles and personnel, rescue work and ambulance services.
- **Seasonal activity:** includes work during periods of significantly increased demand, which are of the regular and recurring nature.
- **Unduly disrupt:** an unreasonable burden on the agency’s ability to provide services of acceptable quality and quantity for the public during the time requested without the use of the employee’s services.

9.8 Fill-In Pay for Non-Exempt Employees (Does Not Include Sworn Fire)

When a non-exempt employee fills in or performs substantially all of the duties in a higher classification level either exempt or non-exempt, a six percent (6%) increase will be applied to the employee’s current hourly rate for all hours worked.

9.9 Work Out Of Classification for Exempt Employees

When exempt employees are temporarily assigned higher level responsibilities to fill a vacancy or for a special assignment for a period greater than 30 days, the employee may receive a temporary pay increase for up to six (6) months. The Department Head must gain approval from the Human Resources Department for additional compensation prior to the employee assuming responsibilities significantly outside the scope of their normal job duties. All temporary salary adjustment requests will be reviewed and evaluated by the HR Compensation Division. and all special assignments must be approved by the Mayor’s Office. Department Heads, managers and supervisors are not eligible for additional compensation when performing tasks of subordinates in their department.

Temporary pay will be calculated for employees in the City's General Pay Plan based on the range of the acting capacity position or higher level/salary grade of the duties assumed. The rate of pay shall be at least the minimum rate of the assumed position range or a six percent (6%) increase of the employee's current salary, whichever is greater.

Temporary pay for employees in the Fire and Police Sworn Pay Plans will be calculated as a monthly stipend, and will be based on the assumed rank salary level.

9.10 **On-Call Pay**

On-call service is necessary for the proper maintenance and operation of certain City services. On-call time is defined by departmental needs as a period of time in which an employee is required to be available to report to work at the City's discretion.

Supervisors must review their employee's on-call circumstances to determine the level of restrictions involved. They must determine:

1. The response time required;
2. The average number of times called per week (or a reasonable estimate); and
3. Any limitations required to perform on call work such as tools required.

Supervisors will ensure they have appropriate and updated contact information, including current phone numbers, for on-call employees, and employees designated and compensated for being on-call shall ensure they respond when contacted and report to work when needed. They are also restricted from consuming alcohol or other substances that could impair their ability to respond.

Department Heads are responsible for identifying positions that are subject to on-call provisions. Supervisors shall notify employees in advance of on-call status and the length of time expected to be on-call. For designated on-call non-exempt employees, a rate of ~~one hundred and forty~~~~seventy~~ (\$140.00~~\$70.00~~) per week will be paid. If a non-exempt employee is designated to be on-call for less than seven (7) days, then the rate of ~~twenty~~~~ten~~ dollars (\$20.00~~\$10.00~~) per day will be paid. The ~~twenty~~~~ten~~ dollars (\$20.00~~\$10.00~~) per day for on-call pay will be in addition to any call-back pay the employee is entitled to receive.

Employees in positions that have been identified as having on-call responsibilities must be able to meet departmental response time requirements when notified to report to work in person. Department-level policy will establish response time expectations based on operational needs. In the absence of department policy, employees in positions with on-call responsibilities must be able to respond to their designated reporting location within sixty (60) minutes or with notification and approval of supervisor of extenuating circumstances. "First Responders" as defined by Tennessee Code Title 8 Chapter 50 Section 107 are not subject to the 60-minute reporting requirement.

Candidates for positions with on-call responsibilities must demonstrate their ability to meet policy requirements as a condition of employment. Failure to demonstrate the

ability to meet response time requirements will result in the candidate not being selected, or rescission of an existing employment offer.

For current employees (as of March 2025) in positions with on-call requirements, relocation to a residence that prevents them from meeting department response time standards may result in position reassignment including potential demotion. Employees considering relocation should consult with their department and Human Resources to ensure that their new residence will allow them to meet established response time expectations.

9.11 Call Back Pay

Non-exempt employees who are unexpectedly called back to their office or work area(s) after normal working hours due to an urgent situation shall receive two (2) regular hours of call-back pay in addition to the actual number of hours worked. This call-back pay shall apply whether adequate response can be achieved by telephone or computer and/or if the employee is needed to physically report to work location(s) in person after normal working hours. If an employee returns home after being called for on-call duty, each additional response required from home will trigger two (2) regular hours of call-back pay plus actual hours worked. If an on-call employee is still onsite or in the field and is called to a subsequent urgent situation they receive only the additional actual hours worked.

Compensable time begins when the employee arrives at the designated work site and starts performing job duties; number of hours worked shall not include the time it takes to travel to and from the office or work area.

If an employee's position may require call-back availability in person, employees must be able to meet departmental response-time requirements when called to report in person. Departments will establish response-time expectations based on operational needs, and candidates for positions with call-back responsibilities must demonstrate their ability to meet these requirements as a condition of employment. Failure to meet the required response time will result in the candidate not being selected for the position.

For current employees (as of March 2025) in positions with call-back requirements, relocation to a residence that prevents them from meeting departmental response-time standards may result in position reassignment including potential demotion. Employees considering relocation should consult with their department and Human Resources to verify that their new residence will allow them to meet established response-time expectations.

Non-exempt employees, with the exception of departments/divisions that have regularly scheduled work shifts twenty-four (24) hours each day-seven (7) days a week, who are unexpectedly called back to their office or a work area due to an emergency situation on an official City holiday shall be paid two (2) hours of call-back pay in addition to the actual number of hours worked at the rate of one and one-half (1 ½) times the employees' hourly rate.

Pay for scheduled overtime, and/or the requirement to unexpectedly report to work early or stay late shall not constitute call-back pay.

9.12 **Longevity Pay**

Longevity pay is subject to the availability of funds and payments are distributed annually. Regular full-time employees begin participating in the program after five (5) years of eligible service as a reward for their service to the City.

9.13 **Pay Rates for Changes in Status**

The following pay policies shall be effective in relation to promotions, demotions, transfers and reclassifications. This list is not inclusive.

1. **Promotion** - When an employee is promoted to a position in a higher salary grade, the rate of pay shall be at least the minimum rate of the new position range and not be lower than the employee's current pay rate.
2. **Demotion** - When an employee is voluntarily or involuntarily demoted to a lower salary grade, the employee's rate of pay may be reduced to a lower rate comparable to other employees performing similar job duties.
3. **Transfer** - When an employee is transferred to the same position that is classified in the same salary grade, they may not receive a pay increase.
4. **Reclassification**: When an employee's position is reclassified to a higher salary grade, the employee shall receive a pay increase. When an employee's position is reclassified to a lower salary grade, the demotion process will follow.