

Instructions for Completing Pay Equity Implementation Report

November 2013

Pay Equity Office
Minnesota Management & Budget
400 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

www.mmb.state.mn.us

Pay Equity Implementation Reports must be submitted using the new web-based software at <https://www.mmb.state.mn.us/PayEquity/>.

If you do not have access to the internet, send an email to Pay.Equity@state.mn.us

The next two pages are samples of what the reporting forms in the software looks like, but these pages are for informational purposes only and not to be filled out and sent in.

Sample

Pay Equity Implementation Report

11/12/2010

Part A: Jurisdiction Identification

Jurisdiction:

Jurisdiction Type:

Contact:

Phone:

E-Mail:

Part B: Official Verification

1. The job evaluation system used measured skill, effort responsibility and working conditions and the same system was used for all classes of employees.

The system used was:

Description:

2. Health Insurance benefits for male and female classes of comparable value have been evaluated and:

3. An official notice has been posted at:

_____ (prominent location)

Informing employees that the Pay Equity Implementation Report has been filed and is available to employees upon request. A copy of the notice has been sent to each exclusive representative, if any, and also to the public library.

The report was approved by:

_____ (governing body)

_____ (chief elected official)

_____ (title)

Part C: Total Payroll

is the annual payroll for the calendar year just ended December 31.

- Checking this box indicates the following:

- signature of chief elected official
- approval by governing body
- all information is complete and accurate, and
- all employees over which the jurisdiction has final budgetary authority are included

Date Submitted:

Sample

Stageville Theater First Step To Broadway!
 LGID 1

Job Class Data Entry Verification List

Case: 2005

Job Nbr	Class Title	Nbr Males	Nbr Females	Class Type	Jobs Points	Min Mo Salary	Max Mo Salary	Yrs to Max Salary	Yrs of Service	Exceptional Service Pay
1	Box Office	1	1	B	110	\$1,200.00	\$1,400.41	4.00	0.00	
2	Stage Crew	6	1	M	130	\$1,250.00	\$1,450.26	5.00	0.00	LONGEVITY
3	Props Chief	1	0	M	140	\$1,260.00	\$1,460.94	5.00	0.00	LONGEVITY
4	Costume Designer	0	1	F	142	\$1,375.00	\$1,575.89	5.00	0.00	
5	Set Tech.	1	0	M	150	\$1,360.00	\$1,560.75	5.00	0.00	
6	Lighting Tech.	1	0	M	164	\$1,400.00	\$1,625.50	6.00	0.00	
7	Effects Eng.	1	0	M	179	\$1,425.00	\$1,645.22	6.00	0.00	
8	Stage Manager	0	1	F	180	\$1,425.00	\$1,610.30	5.00	0.00	LONGEVITY
9	Writer	1	0	M	180	\$1,400.00	\$1,590.19	6.00	0.00	
10	Marketing Director	1	0	M	200	\$1,490.00	\$1,690.85	4.00	0.00	
11	Actor/Actress	10	12	B	217	\$1,500.00	\$1,730.85	4.00	0.00	PERFORMANCE
13	Producer	0	1	F	260	\$1,700.00	\$1,900.00	0.00	0.00	
12	Director	1	0	M	275	\$1,600.00	\$1,795.76	0.00	0.00	
14	General Manager	0	1	F	300	\$1,800.00	\$2,100.67	0.00	0.00	

Job Number Count: 14

INSTRUCTIONS FOR COMPLETING PAY EQUITY IMPLEMENTATION REPORT

General instructions.

The Pay Equity Implementation Report must be received by Minnesota Management & Budget (MMB) **by January 31, 2014**. Submissions after that date will be found out of compliance with the pay equity law. All information submitted on the form must be that which was in place as of December 31, 2013. The report must be submitted in the format using the web-based Pay Equity software. Do not submit information in a different format.

Part A: Jurisdiction identification.

- This information (Jurisdiction, Jurisdiction Type, Contact, Phone & E-mail) will already be filled in.

“*Jurisdiction*” and other important terms are defined on the **Definitions** sheet (page 12). If there is a question or dispute about the jurisdiction responsible for establishing pay equity and for completing this report, please send an email to Pay.Equity@state.mn.us.

Part B: Official verification.

1. **Job Evaluation System.** Using the drop down menu, please check the box showing what kind of job evaluation system was used, and write the name of the system on the appropriate line. If you have used more than one system in recent years, only list the system *currently in place*.
2. **Benefits Evaluation.** If all classes are eligible for the same health insurance benefits, check the first box. If all classes are not eligible for the same health insurance benefits, refer to the **Benefits Worksheet** (page 7) for an explanation on how to evaluate and, if necessary, report benefits. If benefits must be reported and are included in the maximum monthly salary, check the second box.
3. **Official Posting.** Write in the location where the required notice has been posted (for example, “Courthouse Bulletin Board”). You may use the **Pay Equity Notice** form (page 14) provided by Minnesota Management & Budget for this purpose. If you use some other form, that form must include all the information on the enclosed Pay Equity Notice form.

Signature lines. This section must be completed as verification that the information provided in the report is correct, has been approved by the governing body, and signed by the Chief Elected Official. Failure to complete this part, or any other part of the Pay Equity Implementation Report form, may lead to an “out of compliance” finding.

On the line marked “*governing body*,” type “city council,” “county board,” “school board,” or other governing body for the jurisdiction which has reviewed and approved the report.

On the line marked “*chief elected official*”, type the name of the elected official.

On the line marked “*title*”, type the title of the chief elected official, (e.g., Mayor, Chairperson, etc.)

Check the box marked “*Checking this box indicates the following:*”

Date Submitted will be filled in automatically with current date.

Part C: Total payroll.

Please type the amount of the jurisdiction's entire annual payroll including all wages, overtime pay, stipends, etc. for the year ending December 31, 2013.

Job Class Data Entry Verification List.

Example:

Job Class Data Entry Verification List

Job Nbr	Title	Males	Females	Points	Min Sal	Max Sal	Yrs to Max	Yrs Srv	Exceptional Srv
1	Box Office	1	1	110	\$1200	\$1400	4		
2	Stage Crew	6	1	130	\$1250	\$1450	5		Longevity
3	Props Chief	1	0	140	\$1260	\$1460	5		Longevity
4	Costume Designer	0	1	142	\$1375	41575	5		

Job Nbr. Start with number 1 and enter in sequence.

Title. List all class titles, starting with the class with the lowest job points, in your jurisdiction. For a definition of “*class*,” review the enclosed Definitions sheet. Examples of classes are “Assistant Librarian,” “Custodian,” “Teacher Aide,” “City Clerk.” Do not list pay grades, job points or ratings in this column.

This list must include all job classes which had employees at any time in calendar year 2013, unless the class was abolished on or before December 31, 2013. The information provided in the remaining columns must be that which was in place as of December 31, 2013.

For classes which are vacant on December 31, 2012, but were occupied at some point in 2013, report data that pertained to the most recent incumbent(s) that occupied the class in calendar year 2013.

If the jurisdiction has a two-tier pay system, and there were employees in both tiers on December 31, 2013, *the jurisdiction must report each tier as a separate class.*

Males and Females. For each job class, list the total number of male and female employees as of December 31, 2013. A “head count” should be done of all individuals who work at least an average of 14 hours per week and 67 days per year (100 days in the case of students). Always report whole numbers, not fractions or full-time-equivalents. Individuals who do not work at least the “14/67” minimum should not be included in the report. If no one in the job class works the minimum, do not report the class at all.

For classes which are vacant on December 31, 2013, but were occupied at some point in 2013, report data that pertained to the most recent incumbent(s) that occupied the class in calendar year 2013.

Points. Type the number of points for each job class as determined by your job evaluation system. All entries must be numerical and must be whole numbers.

Min Sal and Max Sal. “Salary” includes wages and additional cash compensation, as defined on pages 12 and 13. Carefully review these definitions and also the definition of “*compensation*” which explains items such as overtime pay which are not to be reported. All wage and salary information may be reported to the nearest whole dollar. **All numbers in these columns must represent the same number of hours worked, therefore any part-time salaries must be adjusted to a monthly full-time-equivalent (see #3 on page 3).**

To do the calculations, the following four questions should be answered for each job class:

1. Is there a salary range established or just a single rate of pay?

If there is a salary range established for the class, the minimum per month goes in Min Mo Salary column and the maximum in Max Mo Salary column. If there is only a single rate of pay, the same amount goes in both columns. If actual wages do not fall within the salary range established, then the actual wages, not the range, must be reported. For example, if the salary range is \$1500-\$2000/month, but an employee in the class actually is receiving pay of \$1300/month, you must report \$1300 as the minimum monthly salary.

The same would be true if an employee's actual salary exceeds the established range. For example, if the salary range is \$1500 - \$2000 per month, but an employee is receiving \$2200 per month, you must report \$2200 as the maximum salary. The only exception to this would be if the excess payment is based on a longevity plan or a documented performance plan that meets the definition of exceptional service pay. If it qualifies as exceptional service pay, it is accounted for by selecting “longevity” or “performance” in Exception Service Pay column and the excess amount is not added to the maximum salary.

2. Are wages based on an hourly rate or an annual rate?

For classes with an established hourly rate, the monthly amounts must be figured by taking the hourly rate x 173.3 (number of hours in a month based on full-time). If there is no established hourly wage and only an annual wage, divide the annual wage by the number of months worked.

3. Do the employees in the class work part-time?

For part-time employees who work at least an average of 14 hours per week but less than 40 hours per week, you must convert their part-time salaries to monthly full-time equivalents. The pay equity law requires all salaries to be reported as monthly full-time equivalents.

The amounts in Min Mo Salary and Max Mo Salary columns for part-time employees will be more than their actual salaries. It is necessary to adjust all salaries in Min Mo Salary and Max Mo Salary columns to in order to compare all classes based on the same number of hours worked.

For part-time employees with an hourly wage, multiply the hourly wage by 173.3. For example, if the hourly wage is \$10, $10 \times 173.3 = \$1733$. You would enter \$1733 as the monthly salary.

For part-time employees with a single rate of pay, you must determine the hourly wage and multiply it by 173.3.

Example: Tony is a bus driver who is paid \$700 per month but does not work 40 hours per week. First, figure out, to the best of your ability, the average number of hours Tony works each month. For Tony, this is figured at 60 hours. You must then divide the number of hours worked by the monthly salary to determine an hourly wage ($\$700 \div 60 = \11.66). Then, multiply the hourly wage by 173.3 ($\$11.66 \times 173.3 = \2021) and enter that amount, rounded off to the nearest whole dollar (\$2021), in the Max Mo Salary column.

The worksheet below may be helpful to you when converting part-time single rates of pay to full-time equivalent salaries.

Blank worksheet for your use:

1. The monthly salary is _____
2. The number of hours worked in a month is _____
3. The amount on line one divided by the amount on line two is _____
4. The amount on line three multiplied by 173.3 is _____
5. Enter the amount on line four under Max Mo Salary column

4. Are there any additions to the maximum monthly salary figure?

- a. *Additional cash compensation* - carefully review the definition on pages 12 and 13. Such things as lump sum or bonus payments are considered additional cash compensation and must be added to the maximum salary if such payments result in an individual receiving an amount above the established range or rate. The amount of these types of payments during the previous 12 months must be adjusted to a monthly figure and added to the maximum monthly salary.
- b. *Benefits* - the definition of benefits is limited to health insurance. If any female class is eligible for a lesser amount of paid health insurance than a male class of comparable value, the amount of the employer contribution must be added to maximum salaries for all job classes. Carefully review the Benefits Worksheet to determine if this addition is required.

Yrs to Max. Type the number of years required to qualify for the maximum monthly salary for each class. If there is a salary range, but movement through the range is based solely on performance and not on years of service, leave the space blank and fill in the number of years of service in the Yrs of Service column.

Yrs Srv. If there is no established salary range for the class, type in the number of years of service for the employee with the highest number of years of service.

Exceptional Srv. If any employees receive this kind of pay, defined on page 12, and if those payments result in a salary above the salary range maximum, select “*longevity*” and/or “*performance*” in this column. Do not add the amount of these payments to maximum salaries. If no exceptional service pay exists, leave this column blank. The requirement for writing in the word longevity or performance for a job class is that at least one person in the job class must ***actually be receiving*** longevity or performance pay above and beyond the maximum monthly salary. If employees in a class are eligible for but are not yet receiving longevity or performance pay, the column must be left blank.

Additional information.

The first thing MMB does when receiving your report is compare it to the previous report submitted by your jurisdiction. If there have been significant changes such as job evaluation point changes or a change to a different job evaluation system, a description and explanation of the change should be submitted in an email to Pay.Equity@state.mn.us.

BENEFITS (HEALTH INSURANCE) WORKSHEET AND INSTRUCTIONS

Benefits means health insurance to which a jurisdiction contributes on behalf of an employee or an employee plus dependents. Benefits for pay equity reporting purposes do not include pensions, life, dental or disability insurance, vacations or sick days.

You may skip this worksheet IF ...

... eligibility for the amount of employer contribution for health insurance is the same for all classes. You will not need to add benefits to salary information. (Check the first box in Part B(2) on the Pay Equity Implementation Report form.)

You must add the employer's contribution to health insurance to maximum monthly salaries IF ...

... the amount of eligibility for the amount of employer contribution is less for any female class within comparable value of a male class. The following steps will help you determine comparable value and how to calculate the amount you must add to maximum monthly salaries. (Check the second box in Part B(2) on the Pay Equity Implementation Report form.)

STEP 1. Determine the range of points.

Subtract the lowest point value from the highest point value. For example, if the lowest rated job in the jurisdiction has 100 points and the highest rated job has 300 points, $300 - 100 = 200$. The range of points is 200.

STEP 2. Determine which female classes are “comparable” to male classes.

For benefits purposes, a female class is “comparable” to a male class if the job points for the female class are within 10% of the range of points above or below the male class.

In the example above, the overall point range is 200. Ten percent of that range is 20 points. Using this point range, a female class with 140 points would be comparable to male classes up to 160 points (20 points above) and down to 120 points (20 points below).

STEP 3. Compare benefits for male and female classes of “comparable” value.

Are any of the female classes eligible for a lesser amount of employer contribution to health insurance compared to male classes of comparable value? If so, this is called a disadvantage. If the answer is yes and at least one female class is at a disadvantage, you have found a “trigger” and benefits must be calculated and added to maximum monthly salaries for ALL classes. It is possible to have differences in employer contributions to health insurance that are not reported because although a female class or classes has a lower employer contribution, the female class or classes are not within comparable value to a male class receiving a higher employer contribution to health insurance. If no female classes are at a disadvantage, the amount of health insurance is not added to maximum monthly salaries.

If no employees in a female class are eligible for health insurance, because they work part-time or for other reasons, the employer's contribution is zero. This would be a disadvantage if the class is within comparable value of a male class eligible for health insurance.

Sometimes there are both full-time and part-time employees in a female class, and only full-time employees are eligible for health insurance. In these classes, determine the employer's maximum contribution for health insurance for a full-time employee. If the maximum eligibility is not less than a male class of comparable value, this is not a disadvantage even though there may be part-time employees in the class that receive no health insurance benefits.

STEP 4. Calculate the dollar value of the benefits.

If any female class is at a disadvantage in terms of benefits in comparison with a male class of comparable value, this calculation must be made for EVERY class in the jurisdiction.

If employees in a class may choose between single coverage and family coverage, determine the employer's contribution for family coverage.

To calculate benefits for classes with an established hourly wage in your jurisdiction:

- 4a. Maximum annual employer contribution for an employee (or employee plus dependents) in the class _____
- 4b. Number of hours worked annually _____
- 4c. Divide 4a by 4b to determine cost per hour _____
- 4d. Add the result from 4c to maximum hourly wage (and additional cash compensation, if applicable) and multiply by 173.3 to determine maximum monthly amount. _____

Jurisdictions may round the result to the nearest whole dollar. Enter the result from 4d in the Max Salary column.

For example, the annual employer contribution for an employee's family health insurance coverage is \$3000. Since the employee works 2080 hours per year, the contribution is \$1.44 per hour or \$250 per month. If the employee's maximum monthly salary was \$2001, the amount reported would be \$2250.

To calculate benefits for classes with an annual salary in your jurisdiction:

- 4e. Maximum annual employer contribution for an employee (or employee plus dependents) in the class _____
- 4f. Number of months worked _____
- 4g. Divide 4e by 4f to determine cost per month _____
- 4h. Add the result from 4g to maximum monthly wage (and additional cash compensation, if applicable) _____

Jurisdictions may round the result to the nearest whole dollar. Enter the result from 4h in Max Salary column.

Salary Range Test Example

This is an example to show how the salary range test is calculated. The software will automatically calculate these results, but this shows how the test can be conducted manually.

Jurisdiction: Stageville Theatre

Step 1

Identify male classes with an established number of years to move through a salary range.

Title	Years to Max
Stage Crew	5
Props Chief	5
Set Tech	5
Lighting Tech	6
Effects Tech	6
Writer	6
Marketing Director	4
7 total classes	37 total years

Step 2

Calculate the average years to reach maximum salary for male classes:

A.	Total years from Step 1	37
B.	Total classes from Step 2	7
C.	Divide 2A by 2B	$37 \div 7 = 5.28$ <i>average years to max</i>

Step 3

Identify female classes with an established number of years to move through a salary range.

Title	Years to Max
Costume Designer	5
Stage Manager	5
2 total classes	10 total years

Step 4

Calculate the average years to reach maximum salary for female classes:

A.	Total years from Step 3	10
B.	Total classes from Step 3	2
C.	Divide 4A by 4B	$10 \div 2 = 5$ <i>average years to max</i>

Step 5

Divide 2C by 4C and multiply by 100 $5.28 \div 5 = 1.05 \times 100 = 105\%$

Exceptional Service Pay Test Example

This is an example to show how the exceptional service pay test is calculated. The software will automatically calculate these results, but this shows how the test can be conducted manually.

Record information for male or female classes only, not balanced classes.

Step 1

Calculate the percentage of male classes receiving exceptional service pay.

- A. Total number of male classes where an employee receives exceptional service pay. **4**
- B. Total number of male classes in the jurisdiction. **8**
- C. Divide 1A by 1B and multiply by 100. $4 \div 8 = .50 \times 100 =$ **50%**

If result of 1C is 20% or less, stop here. If result is more than 20%, go on to Step 2.

Step 2

Calculate the percentage of female classes receiving exceptional service pay.

- A. Total number of female classes where an employee receives exceptional service pay. **1**
- B. Total number of female classes. **4**
- C. Divide 2A by 2B and multiply by 100. $1 \div 4 = .25 \times 100 =$ **25%**

Step 3

Calculate the ratio of female/male classes receiving exceptional service pay.

Divide 2C by 1C and multiply by 100. $25 \div 50 = .50 \times 100 =$ **50%**

Enter result in Part D of report form.

DEFINITIONS

“Additional cash compensation” - see *“Salary.”*

“Benefits” means health insurance or health self-insurance programs to which a jurisdiction contributes on behalf of an employee or an employee plus dependents. Benefits do not include pensions, life insurance, dental insurance, disability insurance, or other insurance programs.

“Class” means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

“Compensation” consists of salary, exceptional service pay, and benefits. Compensation does not include overtime pay, shift differentials, or uniform allowances, as defined below. Compensation also excludes any other payments not defined as salary, benefits, or exceptional service pay.

- *“Overtime pay”* means payment to employees for services performed in excess of the normal work period when the payments are required by applicable state and federal overtime laws, by an applicable collective bargaining agreement, or by written personnel policies.
- *“Shift differential”* means payment to employees for working other than the standard daytime weekday shift.
- *“Uniform allowance”* means payment to employees for purchasing a specified, required uniform.

“Employee” means a public employee as defined by Minnesota Statutes, section 179A.03, subdivision 14, except that *employee* also includes employees of charitable hospitals as defined by Minnesota Statutes, section 179.35, subdivision 3. *Employee* does not include employees of charitable hospitals who would be excluded under Minnesota Statutes, section 179A.03, subdivision 14, paragraphs (a) to (f).

“Exceptional service pay” means longevity pay or performance pay.

- *“Longevity pay”* means payment above the salary range maximum to employees with specified years of service or seniority.
- *“Performance pay”* means payment above the salary range maximum to employees who meet specified performance or production standards.

“Jurisdiction” means a political subdivision, governmental subdivision, or public employer responsible for achieving equitable compensation relationships under Minnesota Statutes 471.991 to 471.999. For purposes of pay equity compliance, *jurisdiction* means a public employer as defined by Minnesota Statutes, section 179A.03, subdivision 15, clause (c), except that *jurisdiction* may also include charitable hospitals as defined by Minnesota Statutes, section 179.35, subdivision 2.

If a charitable hospital does not have final budgetary approval authority for employees in the hospital, the jurisdiction for purposes of pay equity is defined as the public employer with final budgetary approval authority for employees in that hospital. If the governing board of a joint powers agency does not have final budgetary approval authority for employees in the joint powers agency, the jurisdiction for purposes of pay equity is defined as the public employer with final budgetary approval authority for employees in that joint powers agency.

“**Salary**” consists of wages and additional cash compensation.

“*Wages*” means all regular payments for routinely scheduled labor or services made by a jurisdiction to a class of employees, whether these payments are made on an hourly, monthly, or annual basis, except for payments defined as exceptional service pay, and except for payments excluded from the definition of *compensation*. *Wages* refers to the maximum monthly payment for a job class if there is an established payment range for the class, or to the highest actual monthly wage paid to any member of a class if there is no established payment range for that class.

“*Additional cash compensation*” means all payments made by a jurisdiction to a class of employees when the payments are made to all employees in the class and when the payments exceed the maximum of an established payment range. Additional cash compensation includes lump sum payments and bonus payments except:

- Additional cash compensation does **not** include retroactive adjustments to wages when those adjustments do not exceed the reported wage maximum, and does **not** include retroactive contributions to benefits when those contributions do not exceed the reported benefits contribution limits; and
- Additional cash compensation does **not** include payments defined as exceptional service pay, and does **not** include payments excluded from the definition of compensation.

“**Wages**” - see “*Salary*.”

Posting date:

Jurisdiction Name:

NOTICE

2014 Pay Equity Report

This jurisdiction is submitting a pay equity implementation report to Minnesota Management & Budget as required by the Local Government Pay Equity Act, Minnesota Statutes 471.991 to 471.999. The report must be submitted to the department by January 31, 2014.

The report is public data under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. That means that the report is available to anyone requesting this information.

This notice is being sent to all union representatives (if any) in this jurisdiction. In addition, this notice must remain posted in a prominent location for at least 90 days from the date the report was submitted.

For more information about this jurisdiction's pay equity program, or to request a copy of the implementation report, please contact:

(local contact person's name, address, telephone)

For more information about the state pay equity law, you may contact the Pay Equity Office at:

pay.equity@state.mn.us

Pay Equity Office
Minnesota Management & Budget
400 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155