

Sample Classification and Compensation System

[Note: This example is derived from an actual state legislative plan. However, the salaries listed are not current and should not be used for comparison to similar titles in other states.]

Sample job classification plan	
<i>Grade</i>	<i>Title</i>
O	Director
N	Assistant Director of Legal Services Assistant Director of Administration Budget and Fiscal Section Manager
M	Legislative Research Manager Program Evaluation Manager School Finance Manager
L	Information Technology Manager Legislative Information Officer Principal Legislative Analyst Senior Staff Attorney
K	Legal Research Associate School Finance Analyst Senior Fiscal Analyst Senior Program Evaluator Senior Research Analyst Staff Attorney
J	Computer Programmer Fiscal Analyst Program Evaluator Research Analyst
I	Associate Fiscal Analyst Associate Program Evaluator Associate Research Analyst Information Technology Specialist II
H	Fiscal Officer Information Technology Specialist I
G	Associate Legislative Info Officer
F	Bill Processing Supervisor Executive Assistant
E	Administrative Specialist II
D	Administrative Specialist I

Sample compensation plan

<i>Level</i>	<i>Minimum Salary</i>	<i>Market-Based Midpoint</i>	<i>Maximum Salary</i>
O	\$95,655	\$121,854	\$148,662
N	\$82,462	\$105,047	\$128,157
M	\$71,088	\$90,557	\$110,480
L	\$61,282	\$78,067	\$95,241
K	\$52,830	\$67,299	\$82,105
J	\$45,543	\$58,016	\$70,780
I	\$39,915	\$50,847	\$62,033
H	\$34,982	\$44,563	\$54,367
G	\$30,659	\$39,056	\$47,649
F	\$26,871	\$34,230	\$41,761
E	\$23,550	\$30,000	\$36,600
D	\$20,640	\$26,293	\$32,077

Some General Compensation Concepts

Job Content Analysis – An objective assessment of the purpose, tasks and expectations of a job title and the minimum qualifications necessary for a person to be successful in the job. Common tools for conducting a job content analysis include a job content survey and structured interviews with persons who work in the role and with others who are knowledgeable about the job.

Point Factoring – An objective assessment of the value of a job to an organization conducted by “scoring” the job through the assignment of points related to categories such as educational requirements, level of responsibility, consequence of error and range of client interaction.

Market (Range) Midpoint – The average of salaries paid in the market for a specific job type, or the compensation amount paid to a person who has achieved full competence in a specific job. The market midpoint is the benchmark for creating a pay plan and for maintaining market competitiveness in a pay plan. In existing pay plans, the range midpoint is the average value of the minimum and maximum pay levels in that range.

Range Minimum- The lowest, usually entry-level, compensation paid for a specific job title or pay range.

Formula: $\text{Range Midpoint} / (1 + (\text{Range Width} / 2))$

Range Maximum – The highest compensation level paid for a specific job title or pay range.

Formula: $(\text{Range Minimum} \times (1 + \text{Range Width})) / \text{Range Minimum}$

Range Width – The difference between the minimum and maximum pay for a specific job title or pay range. Range width is usually expressed as a percentage.

Formula: $((\text{Range Maximum} - \text{Range Minimum}) / \text{Range Minimum}) \times 100$

Midpoint Differential – The percentage distance between the midpoints of the ranges in a compensation plan. The midpoint differential determines the relative rate at which compensation increases as an employee is promoted within the pay plan. The larger the differential, the “taller” the pay plan and larger the increase between pay grades. The midpoint differential tends to be smaller in plans with many pay ranges and larger in plans with fewer pay ranges.

Formula: $(\text{Midpoint A} - \text{Midpoint B}) / \text{Midpoint B} \times 100$