

State of Oklahoma

COMPENSATION REPORT Pay Frequency and Pension

March 17, 2023



Introduction

This report and the accompanied spreadsheets serve to address the following two requests from the State of Oklahoma, with high-level observations summarized below:

1. Provide a comparison between biweekly and monthly pay cycles for job classifications with average incumbent pay below the market competitive range
 - The analysis confirms that most of the Oklahoma employees aligned to jobs with average pay below the market competitive range are on a bi-weekly payroll schedule
2. Conduct analysis of pension vs non-pension employees by Agency⁽¹⁾
 - The analysis reveals that at a holistic level there is a minor difference in the distribution of market competitiveness between pension vs non-pension employees
 - The agency-level detail reveals that there are larger variances between pension and non-pension employees within specific agencies
 - The data suggests that the pension plan promotes employee retention, all else equal. Additionally, 401K programs promote talent mobility within the external market due to the structure (vesting schedules, individual contributions, etc.)

⁽¹⁾ Pension employees identified by original start date prior to 11/1/2015

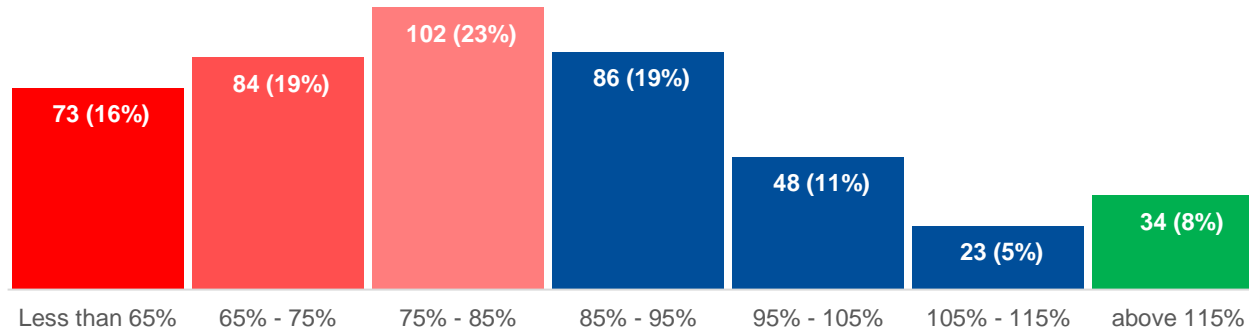


Benchmarking statistics with pay frequency

Bi-weekly vs Monthly:

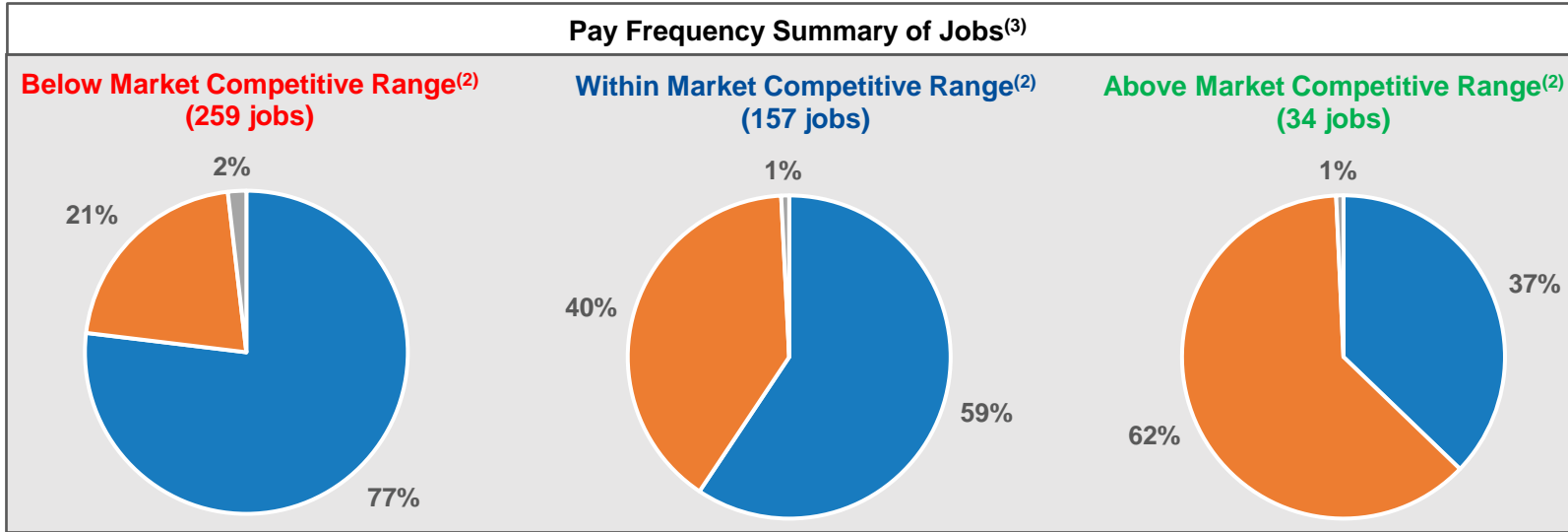
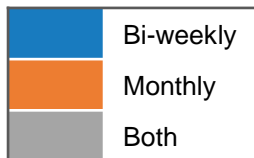
The analysis reveals that most of the Oklahoma employees aligned to jobs with average incumbent pay below the market competitive range are on a bi-weekly payroll schedule

Distribution of average incumbent salary competitiveness for 453 benchmarked jobs⁽¹⁾⁽²⁾



Pay Frequency Summary of Jobs⁽³⁾

Legend



(1) Three (3) benchmarked jobs do not have incumbent data and therefore not included in the chart

(2) Market competitive range is defined as pay between 85% and 115% of the market median

(3) Pay frequency is determined by the agency of incumbents aligned to each job



Pay Frequency Detail

An accompanying detailed job analysis, with market data and pay frequency for all benchmarked jobs will be provided to the State of Oklahoma.

Job Data						Current Pay Range			Market Base			Avg Incumbent Salary Competitiveness	Market TCC		
OK Job Code	OMES Job Title	Current Pay Grade	# of Employees	Average Incumbent Salary	Average Bonus	Min	Mid	Max	25th %ile	50th %ile	75th %ile	Market 50th %ile	25th %ile	50th %ile	75th %ile
Current job information as provided by State of Oklahoma									Market data and average incumbent salary competitiveness						

Proposed Salary Grade Cost Scenarios						Proposed Salary Structure				
# of employees	Cost to proposed Salary Grade Minimum	# of employees	Cost to 75% of proposed Salary Grade Midpoint	# of employees	Cost to Market Competitive (85% of proposed Salary Grade Midpoint)	Proposed Salary Grade	Salary Grade Min	Salary Grade Mid	Salary Grade Max	Salary Structure Midpoint Competitiveness
Cost impact analysis by job						Proposed salary grade information				

Pay Frequency Type (% of total headcount) <i>Based on incumbent's Agency</i>		
Biweekly	Monthly	Both (Biweekly & Monthly)
Pay frequency based on agency of incumbents in job		



Pension Summary

Overall, the market competitiveness between Pension vs Non-Pension varies slightly. When looking at individual agencies, there are some variances between the groups.

	EE's below Market Competitive Range	EE's within Market Competitive Range	EE's above Market Competitive Range	Total EE's
Pension Employees	6,248 (59%)	3,336 (31%)	1,081 (10%)	10,665
Non-Pension Employees	4,530 (56%)	2,920 (36%)	669 (8%)	8,119

Agencies with most variance⁽¹⁾

Agency	Employee Data					Pension Employee Market Competitiveness			Non-Pension Employee Market Competitiveness		
	Total Employees in Benchmarked roles	Total EE's in Benchmarked roles w/ Pension	Percentage w/ Pension	Total EE's in Benchmarked roles w/o Pension	Percentage w/o Pension	Below Market Competitive Range	Within Market Competitive Range	Above Market Competitive Range	Below Market Competitive Range	Within Market Competitive Range	Above Market Competitive Range
EMPLOYMENT SECURITY COMMISSION	370	266	72%	104	28%	59.0%	40.6%	0.4%	20.2%	79.8%	0.0%
HEALTH CARE AUTHORITY	110	86	62%	24	38%	69.8%	29.1%	1.2%	37.5%	62.5%	0.0%
DISTRICT ATTORNEYS COUNCIL	66	41	53%	25	47%	41.5%	39.0%	19.5%	36.0%	64.0%	0.0%
OFFICE OF JUVENILE AFFAIRS	353	218	78%	135	22%	52.3%	32.6%	15.1%	40.7%	20.7%	38.5%
CORPORATION COMMISSION	259	142	70%	117	30%	36.6%	63.4%	0.0%	13.7%	85.5%	0.9%
DEPARTMENT OF CORRECTIONS	2,883	1,341	40%	1,542	60%	65.8%	29.8%	4.3%	52.3%	45.0%	2.7%
OKLAHOMA STATE DEPARTMENT OF HEALTH	946	507	83%	439	17%	56.0%	43.0%	1.0%	69.5%	29.8%	0.7%
STATE BUREAU OF INVESTIGATION	228	136	62%	92	38%	22.1%	11.0%	66.9%	33.7%	12.0%	54.3%
J.D. MCCARTY CENTER	169	62	52%	107	48%	69.4%	25.8%	4.8%	77.6%	15.0%	7.5%
OFFICE OF MANAGEMENT AND ENTERPRISE SERV	589	337	60%	252	40%	23.7%	22.8%	53.4%	13.9%	26.2%	59.9%

(1) Agencies with a minimum of 50 benchmarked employees



Pension Summary by Agency

An accompanying summary of employee market competitiveness, comparing pension and non-pension employees at the agency-level will be provided to the State of Oklahoma.

Employee Data					
Business Unit	Total Employees in Benchmarked roles	Total EE's in Benchmarked roles w/ Pension	Percentage w/ Pension	Total EE's in Benchmarked roles w/o Pension	Percentage w/o Pension
Employee counts by agency					

Pension Employee Market Competitiveness			Non-Pension Employee Market Competitiveness		
Below Market Competitive Range (<85% of proposed salary grade midpoint)	Within Market Competitive Range	Above Market Competitive Range (>115% of proposed salary grade midpoint)	Below Market Competitive Range (<85% of proposed salary grade midpoint)	Within Market Competitive Range	Above Market Competitive Range (>115% of proposed salary grade midpoint)
Percentage of employees with pension			Percentage of employees without pension		

