



## MEMORANDUM

**HCM 18-06**

**Date:** June 26, 2018

**To:** All Appointing Authorities

**From:** Dana Webb, OMES/HCM Administrator

**Re:** Pay Band Adjustments

Effective July 1, 2018, the minimums, midpoints and maximums of the State of Oklahoma classified, unclassified and agency director pay bands will be adjusted upward by 5 percent.

Per [Title 74, Section 840-2.15A](#), [Section 840-2.15B](#) and [Section 3601.2](#), this action is taken to ensure that all of our pay structures are competitive with the market and to provide sufficient opportunity for salary growth within jobs.

Additionally, [Title 74, Section 840-2.16](#) requires that the minimum wage for classified and unclassified state employees, with certain exceptions (temporary and seasonal employees), be set at an annualized salary equal to the amount established in the Federal Poverty Guidelines for a three-person household. This salary requirement is issued each year in the Federal Register by the United States Department of Health and Human Services. The new amount is \$20,780 with an hourly rate of \$9.99.

In accordance with the aforementioned minimum wage statute, we are required on July 1, 2018, to adjust the pay rates of all affected employees whose current rates fall below the new annual Federal Poverty Guideline of \$20,780. We will raise the minimum rates of pay bands A through F of the classified pay structure and pay bands 1-5 on the unclassified pay structure, since those minimums are currently below the new Federal Poverty Guidelines.

With the implementation of House Bill 1024, also on July 1, 2018, the impact to agencies would be minimized for the minimums, midpoints and maximums adjustment as well as the minimum wage adjustment.

The revised pay bands may be accessed on the Office of Management and Enterprise Services website at <http://omes.ok.gov/employee-benefits/salary-schedule>

Appointing Authorities are reminded of the requirement in OAC 260:25-7-2 that the rate of pay of classified employees be maintained within the established minimum and maximum rates of the pay band for the job family level, except as provided by law or Merit Rule. Please ensure that your agency takes the appropriate steps to effect pay adjustments effective July 1, 2018, for any classified employees whose pay rates are below the new minimums. The personnel action code for such adjustments is C24.

Please be aware that for the unclassified positions this data represents a resource; it is not a directive to bring employees up the pay band minimum, nor does it recommend or require any action. Agency director positions must stay under their respective pay grade maximums but no action is required to bring agency directors up to their pay grade minimum.

Appointing Authorities and agency governing boards should make any determinations on an agency-by-agency basis. Financial decisions should continue to be made in the best interests of the agency and its mission, and the performance of agency directors should continue to be regularly and rigorously evaluated.

Questions regarding the content of this memorandum may be directed to Jake Smith, OMES Director of Talent Management, at 405-521-6327 or Rena Bigby, OMES Director of Compensation and Classification at 405-522-6109.