

COMPENSATION PLAN

for

MNsure

Effective: _____, 2013

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**MNsure
Compensation Plan**

1. Authority and Purpose

The Board of Directors of MNsure is authorized by M.S. 62V.05, subd. 1 (b) (1) to develop and implement a compensation plan for unclassified managerial employees of the agency, subject to review, modification and approval by the Legislative Coordinating Commission and the legislature under M.S. 3.855.

The Commissioner of Management and Budget shall determine whether positions in MNsure meet the definition of manager in M.S. 43A and shall assign each position to a classification or salary range.

The purpose of this Plan is to establish salary ranges and to define salary administration policies for those employees covered by the Plan.

2. Terms and Conditions other than Salary

The terms and conditions, other than the administration of salaries, of employees covered by this Plan are the same as those applicable to statutory unclassified managers covered by the compensation plan for managerial employees approved under *M.S.* section 43A.18, subdivision 3.

The following provisions of Chapter 14, Salary Administration, of the Managerial Plan apply to employees covered by this salary plan:

- Salary on Return From Leave of Absence
- Severance Pay
- Health and Dental Premium Account
- Medical/Dental Expense Account
- Deferred Compensation
- Dependent Care Expense Account
- Transit Expense Account
- Health Care Savings Account

No other provision of Chapter 14 shall apply to employees covered by this salary plan.

3. Annual Base Salary

These salary ranges, and annual base salaries set within these ranges are approximations based on the official hourly rate and 2,088 hours of work. Actual compensation will be based on hourly rates of pay. The employees covered by this Plan are exempt from the provisions of the Federal Fair Labor Standards Act.

4. Executive Director

The Board shall establish the initial salary of the Executive Director within the assigned salary range as provided in Part 6 and shall review the performance of the Executive Director on an annual basis. The Board may also adjust the salary of the Executive Director once per fiscal year and award performance incentives in accordance with the provisions of Part 6 (b) and (c).

5. Other Unclassified Managers

The Executive Director shall set the initial salaries of other managers within the assigned salary range as provided in Part 6 and shall review the performance of each manager on an annual basis. The Executive Director may also adjust the salary of the other employees covered by this Plan once per fiscal year and award performance incentives in accordance with the provisions of Part 6 (b) and (c).

6. Salary Ranges and Salary Administration for Unclassified Employees

(a) Salary Ranges for Fiscal Year 2013

The salary ranges for the positions covered by this plan shall be as follows:

The following ranges shall remain in effect until revised ranges are approved.

Range	Minimum	Midpoint	Maximum
24	109,056	132,567	156,078
23	105,402	128,120	150,816
22	101,811	123,756	145,701
21	98,366	119,580	140,773
20	95,025	115,529	136,012
19	91,809	111,604	131,377
18	88,677	107,824	126,950
17	85,754	104,212	122,670
16	82,601	100,495	118,390
15	79,762	97,050	114,318
14	76,901	93,605	110,288
13	74,375	90,410	106,446
12	71,660	87,216	102,771
11	69,050	84,105	99,159
10	66,586	81,140	95,693
9	64,164	78,258	92,331

Range	Minimum	Midpoint	Maximum
8	61,742	75,439	89,137
7	59,529	72,829	86,109
6	57,378	70,199	82,998
5	55,353	67,756	80,137
4	53,202	65,250	77,298
3	51,260	62,995	74,730
2	49,465	60,740	71,994
1	47,627	58,527	69,405

(b) Merit Increases

Effective on or after the beginning of the first full pay period in July of each year, each employee is eligible for a merit increase of up to three (3) percent their base salary. Merit increases shall be granted as an increase to the base salary. Merit increases shall not result in a base salary above the maximum of the salary range to which the position is assigned.

(c) Performance Incentives

The Executive Director may establish a pay for performance plan to encourage employees covered under this plan to achieve performance targets and goals. The pay for performance plan may include quarterly, semiannual, and annual performance targets, goals, and associated lump sum payments. Performance targets, goals, and payments must be set prior to the start of a performance evaluation period.

Pay for performance payments shall not exceed ten (10) percent of the base salary of an employee covered under this plan in a fiscal year. The Board shall determine the amount of performance payments for the Executive Director and may establish a lower limit on performance payments for all employees. Pay for performance payments shall be made as a lump sum and shall not become part of an employee's base salary, but the lump sum may cause the employee's total salary to exceed the maximum of the employee's salary range.

7. General Salary Administration Policies

(a) Entry Appointment. The Executive Director may make entry appointments at salaries within the salary range at a level deemed appropriate by the Executive Director. Criteria including work experience and educational background shall be used in making the appointments.

(b) Promotion. An individual promoted to a position with a higher salary range may be granted a salary increase as follows:

- (1) Placement between the minimum and midpoint of the new salary range; or
- (2) Up to a maximum of ten percent (10%) if the increase would place the employee above the midpoint of the new salary range. The Executive Director may grant larger increases based on the employment conditions that may make such action necessary. With the exception of employees who are below the minimum of the new salary range, nothing in the above language should be interpreted as requiring that a salary increase be granted upon promotion.
- (c) Lateral Transfer. An employee who transfers to another position in the same salary range shall not experience a change in salary.
- (d) Movement to a lower salary range. An employee who voluntarily moves or is reassigned to a position in a lower salary range may retain their current salary unless the employee's salary is above the maximum rate for the lower salary range. The Executive Director has the discretion to reduce an employee's salary to any rate in the lower salary range. The Executive Director has the discretion to permit an employee to retain their salary above the maximum for the lower range, provided that the employee is not eligible for any increases in base salary until the maximum of the assigned salary range exceeds the employee's salary.
- (e) Counters to External Offers of Employment. The Executive Director may adjust the salary of any employee who has an employment offer at a higher salary from an employer other than the state government of Minnesota. There must be evidence of the offer. The base salary offered to an employee shall be limited to the salary range to which the position is assigned. Any salary adjustment resulting from a counter offer to an employee shall not be deducted from the aggregate merit increases available to employees covered under this Plan.
- (f) Review of Salary Range/Positions
 - (1) *Position Descriptions.* Position descriptions shall be reviewed by the Executive Director at least every two years to determine if changes have occurred in the position or in the organizational structure. The Executive Director must approve revised or new position descriptions.
 - (2) *Review of Present Salary Range/Positions.* The Commissioner of Management and Budget will assign new positions or reassign existing positions to appropriate salary ranges based upon the requirements of the position. Factors, including, but not limited to, the complexity of the position and the knowledge, skills and abilities required to perform the assigned duties and the salaries of similar positions in state government and similar external organizations. An employee or his/her supervisor may initiate a request for position re-evaluation or salary range assignment review at any time.