
PAY UPON DEMOTION

I. POLICY

In accordance with State Civil Service Rule 6.10(a), it is the policy of the Department of Energy and Natural Resources (DENR) to require the pay of an employee upon demotion, under any circumstances, to be reduced by a minimum of 7% and may be set at a lower rate in the range provided that it is no less than the pay range minimum.

II. APPLICABILITY

This policy applies to all classified DENR employees.

III. SCOPE

A demotion is defined by State Civil Service Rule 1.11 as “a change of an employee from a position in one job title to a different position allocated to a job with a lower maximum.” This means that if an employee moves from one position to a position with a lower maximum, **regardless of status or a change in status**, this is considered a demotion. A demotion may occur internally, across agency offices or across agencies.

Civil Service Rule 6.10(a) provides that when an employee is demoted for any reason under any circumstances, whether voluntarily or involuntarily, and the demotion is to a job within the same schedule or to a job in another pay schedule with a lower maximum, the employee’s pay shall be reduced by a minimum of 7% and may be set at a lower rate in the range, provided that it is not less than the minimum.

The following actions are considered a demotion:

- Permanent employee moves to a lower-level job and remains permanent
- Permanent employee moves to a lower-level job and goes on probation
- Permanent employee moves to a lower-level job that is filled by a job appointment
- Probational employee moves to a lower-level job and remains on probation (NOTE: The original probation period does not continue, it starts over in the new position)
- Probational employee moves to a lower-level job that is filled by a job appointment

IV. PROCEDURE

When an employee or prospective employee is accepting a position with DENR that is by Civil Service Rule considered a demotion, the following must be submitted to Human Resources:

1. A *Request for Voluntary Demotion - Reduction in Pay* form must be completed and signed by the employee or prospective employee, Section/Division Head, and Appointing Authority. This form will be provided by Human Resources during the selection for vacancy process to ensure the proper calculation of the pay reduction.
2. If the request for demotion is within the Department, a *Personnel Request Form* must be submitted with the *Request for Voluntary Demotion - Reduction in Pay* form to Human Resources for processing.

Upon receipt by Human Resources, all forms will be reviewed for completion and routed for Undersecretary and Secretary (or designee) approval.

V. EXCEPTIONS

In accordance with State Civil Service Rule 6.10(d), the Secretary may grant an exception to the required pay reduction for a voluntary demotion as deemed appropriate. Exception requests must be submitted to the Secretary, through the Human Resources Director and Undersecretary, by the Appointing Authority, to include:

1. A memorandum of justification explaining the reason for the voluntary demotion and how such movement is substantially beneficial to the Department so as to warrant allowing the employee to retain their current salary; and,
2. A *Request for Voluntary Demotion – Waiver of Reduction in Pay* form must be completed and signed by the employee or prospective employee, Section/Division Head, and Appointing Authority. This form will be provided by Human Resources during the selection for vacancy process.
3. If the request for demotion is within the agency, a *Personnel Request Form* must be submitted with the *Request for Voluntary Demotion - Waiver of Reduction in Pay* form to Human Resources for processing.

Upon receipt by the Human Resources Director, exception requests shall be reviewed for compliance with Civil Service guidelines and in consideration of pay compression issues, and recommended for approval/denial to the Undersecretary. Thereafter, the Undersecretary shall review and recommend approval/denial of the request, inclusive of budgetary considerations, prior to final consideration by the Secretary.

VI. QUESTIONS

Questions regarding this policy should be directed to the Human Resources Division.

VII. REVISION HISTORY

Date	Action
February 1, 2019	Policy Established
March 2024	Policy Revised – updated section III, added section IV, and updated section V.

AUTHORIZATION:

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