

# **COMPENSATION**

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# Compensation

	ALL FUNDS		GENERAL FUND	
	FY 2025 Adopted	Percent of Total	FY 2025 Adopted	Percent of Total
Pay (Salaries)	\$422,642,404	69.05%	\$367,393,541	68.44%
Retirement	92,643,058	15.14%	82,718,408	15.41%
FICA	29,198,441	4.77%	25,448,873	4.74%
Health Insurance - Employees	42,429,648	6.93%	36,584,986	6.82%
Health/Life Insurance - Retirees	790,000	0.13%	790,000	0.15%
Life Insurance - Employees	637,631	0.10%	551,036	0.10%
Commuting & Transportation	2,457,462	0.40%	2,060,101	0.38%
Tuition Reimbursement	378,800	0.06%	378,800	0.07%
Unemployment/Short-Term Disability	280,000	0.05%	280,000	0.05%
Workers Compensation	4,600,000	0.75%	4,600,000	0.86%
Transfer to OPEB Trust Fund	14,100,000	2.30%	14,100,000	2.63%
Miscellaneous	1,941,946	0.32%	1,888,341	0.35%
<b>Total</b>	<b>\$612,099,390</b>	<b>100%</b>	<b>\$536,794,085</b>	<b>100%</b>

Note: Percentages may not add to 100 percent due to rounding.

**FY 2025 PAY PLAN**

For FY 2025, the County has adopted a new pay plan for General Non-Bargaining employees that is consistent with compensation best practices and our regional peers’ programs. The pay plan will reduce from 319 grades (or pay ranges) to 40, making it easier for employees to understand the pay structure and potential promotional opportunities, while also facilitating pay range comparisons to other jurisdictions. Employees will be mapped to their new grades (pay ranges) based on external market comparators and internal peers.

For General Non-Bargaining employees, the proposed pay range maximums moved on average 4.5%, with a proposed pay increase budget of 4.75% for those employees in an Open Range pay plan and 5% for Pay-for-Performance employees. The increases for those employees who are covered by Collective Bargaining agreements is outlined in those agreements. The chart below outlines the pay range movement and pay increase proposals for Public Safety, Service Labor & Trades, and General employees.

<b>Group</b>	<b>Pay Increase Budget</b>	<b>Range Movement</b>
General	4.75%	4.5% (Avg)
General PFP	5.00%	4.5% (Avg)
Sheriff	4.75%	2.00%
Sheriff Command Staff	5.00%	2.00%
Fire (Step)	4.00%	-
Fire – Non-Bargaining	5.00%	2.00%
Police (Step)	2.50%	-
Police – Non-Bargaining	5.00%	2.00%
SL&T	4.75%	2.00%

The County is also proposing a new retirement program for general employees not covered by a collective bargaining agreement. The proposed plan provides a combination of a 1% defined benefit (pension) with a lower employee contribution of 2.5% of pay. The County will also provide a 7.5% contribution to a 401(a) account. The plan design will provide a meaningful benefit for employees who stay with the County for a full career while providing greater value for those with shorter careers. An actuarial analysis was performed, and the new design is cost neutral for the County. If approved by the County Board, the proposed plan would be for employees hired on or after January 1, 2025.

**FY 2025 NEW RETIREMENT PLAN**

For FY 2025, the County is proposing a new retirement plan for newly hired general employees (non-bargained) effective January 1, 2025. The design of the plan has been recommended by an Employee Work Group, with analysis by Aon Consulting.

This new plan offers better value for short career employees than our current plan; the current average tenure for this group is 9 years. It is also attractive to hires from private sector, where the average match is 50 cents on the dollar up to 6% of pay, or 3% total, versus the County’s 7.5% contribution.

The plan also provides a meaningful pension benefit for those who stay for a full career. Employees would benefit from this change for tenures exceeding 10 years and if they reinvested all or a portion of their salary “savings” of 1.5% (old 4% contribution minus new contribution of 2.5%) even longer.

With the implementation of this plan, Arlington will have lowest required employee pension contribution and highest 401(a) contribution among comparators.

**Assumed Rate of Return = 6.75%**

		5		10		30	
		1.7% Defined Benefit		4.2% 401(a)		4% Employee Contribution	
Current Benefit	Pension Value	\$	21,494	\$	69,261	\$	1,431,568
	4.2% 401(a) Benefit Value	\$	26,468	\$	61,794	\$	470,095
	<b>Total Benefit Value</b>	<b>\$</b>	<b>47,962</b>	<b>\$</b>	<b>122,520</b>	<b>\$</b>	<b>1,901,663</b>
		1% Defined Benefit		7.5% 401(a)		2.5% Employee Contribution	
Proposed New Hire Benefit	Pension Value	\$	12,639	\$	40,756	\$	842,088
	7.5% 401(a) Benefit Value	\$	47,265	\$	110,346	\$	839,454
	<b>Total Benefit Value</b>	<b>\$</b>	<b>59,904</b>	<b>\$</b>	<b>151,102</b>	<b>\$</b>	<b>1,681,542</b>

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**Pay Enhancements – FY 2004 to FY 2025**

The following provides a history of key pay enhancements.

<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2025	None	<ul style="list-style-type: none"> <li>▪ 4.75% merit increase for non-bargaining employees</li> <li>▪ 4.75% salary increase for Service/Labor/Trades employees</li> <li>▪ Fire: Step increases in line with the IAFF CBA and the grade/step structure</li> <li>▪ Police: Step increases in line with the ACOP CBA and the grade/step structure</li> <li>▪ Implementation of the new pay plan</li> <li>▪ Proposed new retirement plan for new general employees (non-bargaining) with a combination of a 1% defined benefit (pension) with a lower employee contribution of 2.5% of pay. The County will also provide a 7.5% contribution to a 401(a) account. The plan would be effective January 1, 2025, if approved by the County Board.</li> <li>▪ One-time hiring bonuses and retention bonuses for uniformed employees in Fire, Police, and the Sheriff’s Office.</li> <li>▪ One-time DHS hiring bonus for frontline behavioral health staff (\$5k).</li> <li>▪ Added a one-time student loan supplement bonus (\$5,250) for new hires.</li> <li>▪ Increased Family Leave Benefit from 10 weeks to 16 weeks.</li> </ul>

<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2024	None	<ul style="list-style-type: none"> <li>▪ 4.5% merit increase for General employees</li> <li>▪ 4.5% salary increase for Service/Labor/Trades employees</li> <li>▪ 8.5% merit increase for Sheriff uniform employees</li> <li>▪ Related range movements, which means that the lowest part of the pay range and highest part of the range will move.</li> <li>▪ Fire: Implementation of a grade and step structure with 4% steps plus a longevity bonus for those at range maximum</li> <li>▪ Police: Implementation of a grade and step structure with most ACOP members receiving at least 10% increases in year one and 2.5% step increases planned for years 2 and 3</li> <li>▪ County Board pay will increase to \$95,734 for the Chair and \$89,851 for members</li> <li>▪ \$2,000 (gross) one-time bonus for all qualifying staff</li> <li>▪ Increase paid parental leave from 8 to 10 weeks</li> <li>▪ Increase in the flexible spending account dependent care match from \$1,500 to \$2,000</li> <li>▪ Increase in the County’s contribution for the health savings accounts for those on the high deductible health plan from \$700 individual/\$1,400 dependent to \$950/\$1,900</li> <li>▪ Increase in adoption assistance from \$5,000 to \$9,000</li> <li>▪ Establishing 16 hours of paid bereavement (based on a 40 hour work week); leave does not carry over from one fiscal year to the next</li> <li>▪ Increasing DROP from three to four years</li> <li>▪ <i>In June after budget adoption, the County Board approved a new maximum annual salary cap for County Board Members (\$116,343) and the Board Chair (\$121,806) effective January 1, 2024</i></li> </ul>

**COMPENSATION SUMMARY**

<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2023	None	<ul style="list-style-type: none"> <li>▪ 5.25% merit increase for General employees, 13.5% for uniformed Police, and 8.50% for uniformed Sheriff and Fire employees</li> <li>▪ 5.0% increase to the minimum and maximum of General Employee grades/ranges and up to 5.5% increase to the minimum and maximum of uniform public safety grades/ranges</li> <li>▪ Increase to pay-for-performance budget of 0.5%</li> <li>▪ 2.5-hour reduction in Police work week for uniformed positions</li> <li>▪ \$1.5 million for the first year of a multi-year effort to address pay compression</li> <li>▪ \$1,600 (gross) one-time bonus</li> <li>▪ One-time referral bonus for hard to fill positions - \$1,000 upon hire and \$1,000 after 6 months</li> <li>▪ DHS Clinical Services – one-time retention bonus of \$3,500 gross for existing employees; signing bonus \$1,500 gross at hiring, \$1,500 gross later for new employees</li> <li>▪ Police signing bonus of \$1,500 (gross) upon hire and again after one year (one-time)</li> <li>▪ Fire – uniform employees one-time retention bonus of \$1,600 gross</li> <li>▪ Optional one-time cash-out 40 hours of compensation time for General Employees with balances of 80 hours or more and for Public Safety Employees with balances of 120 hours or more</li> <li>▪ One-time allowance for front-line staff (\$1,000 gross)</li> <li>▪ One-time funding for additional bonuses, merit awards, and retention efforts (\$500,000)</li> <li>▪ A one-time increase to shift differential from \$0.75 to \$1.00 per hour for B shift and from \$1.00 to \$1.30 per hour for C shift</li> <li>▪ A one-time increase to language premium from \$0.69 to \$0.92 per hour</li> <li>▪ Double the CDL bonus to \$2,000 (one-time)</li> <li>▪ One-time Fire Swiftwater Premium of \$0.70 per hour for techs and \$1.40 per hour for specialists</li> <li>▪ Increase several premium pays in Police including Patrol Field Training Officer premium from \$1.34 to \$3.00 per hour, Civil Disturbance Unit premium from \$0.30 to \$0.75 per hour, and SWAT premium from \$0.60 to \$1.00 per hour.</li> </ul>

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<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2022	1% effective January 1, 2022	<ul style="list-style-type: none"> <li>▪ Additional 1% market adjustment effective January 1, 2022, approved at close-out of FY 2021</li> <li>▪ \$450 (net) one-time bonus approved at close-out of FY 2021</li> <li>▪ 1% merit increases included</li> <li>▪ \$900 (net) one-time bonus</li> <li>▪ 5.0% increase to the minimum and maximum of each pay range for general employees</li> <li>▪ 1.0% increase to the minimum and maximum of each pay range for public safety employees</li> <li>▪ Lowest base pay rate / living wage increased to \$17.00/hour from \$15.00/hour for all permanent and temporary employees, excluding student assistants</li> <li>▪ Increased dependent care match from \$1,000 to \$1,500</li> <li>▪ Increased Live Where You Work benefit</li> <li>▪ Increased paid parental leave from 6 to 8 weeks</li> <li>▪ Increased maximum tuition reimbursement from \$1,900 to \$2,200 per year</li> <li>▪ Added Juneteenth Day as a paid holiday</li> </ul>
FY 2021	None	<ul style="list-style-type: none"> <li>▪ No compensation increases</li> <li>▪ Increased paid parental leave from 4 to 6 weeks</li> <li>▪ Increased dependent care match from \$500 to \$1,000</li> <li>▪ Increased vacation leave accrual for new/recent hires from 13 days to 16.25 days</li> <li>▪ Added a one-time Election Day holiday</li> <li>▪ Eliminated Presidents Day holiday and add a floating holiday</li> <li>▪ Introduced a Consumer Driven Health Plan</li> </ul>
FY 2020	None	<ul style="list-style-type: none"> <li>▪ Merit increases included</li> <li>▪ 2.0% increase to the minimum and maximum of each pay range</li> <li>▪ Increased public safety compensation in Fire, Police and Sheriff by 5.5% as part of the continued implementation of the maintenance study completed in FY 2018.</li> <li>▪ Expanded dental plan options</li> <li>▪ Introduced a voluntary, employee paid, long term disability insurance plan</li> </ul>

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<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2019	None	<ul style="list-style-type: none"> <li>▪ Merit increases included</li> <li>▪ 1.0% increase to the minimum and maximum of each grade/range</li> <li>▪ Increased public safety compensation in Fire, Police and Sheriff as part of the first-year of a five-year classification and maintenance study for all job classes in the County.</li> <li>▪ Lowest base pay rate / living wage increased to \$15.00/hour from \$14.50/hour for all permanent and temporary employees, excluding student assistants</li> <li>▪ Added Adoption Assistance (\$5,000/child)</li> <li>▪ Increased volunteer leave from 4 hours to 8 hours</li> <li>▪ Increased location pay from \$80/month to \$110/month for uniformed Sheriff and Police positions</li> </ul>
FY 2018	None	<ul style="list-style-type: none"> <li>▪ Merit increases included</li> <li>▪ Increased Transit Subsidy by \$50 per month</li> <li>▪ Implemented a Dependent Care Flexible Spending Account (FSA) employer match of \$500 per employee</li> </ul>
FY 2017	None	<ul style="list-style-type: none"> <li>▪ Merit increases included</li> <li>▪ 1.75% increase to the maximum of each grade/range and implementation of open pay ranges</li> <li>▪ Lowest base pay rate increasing to \$14.50/hour from \$13.13/hour for all permanent employees</li> <li>▪ Eliminated steps 2 &amp; 3</li> <li>▪ Implemented a Commercial Driver's License (CDL) bonus program</li> <li>▪ Increased New Parent Leave from 2 weeks to 4 weeks</li> </ul>
FY 2016	None	<ul style="list-style-type: none"> <li>▪ Merit/step increases included</li> </ul>
FY 2015	1.00% for Step 19 employees	<ul style="list-style-type: none"> <li>▪ Merit/step increases included</li> <li>▪ Added extra Christmas and New Year's holidays, CY 2014 only, due to timing of the holidays</li> </ul>
FY 2014	None	<ul style="list-style-type: none"> <li>▪ Merit/step increases included</li> <li>▪ Eliminated one County Holiday (Columbus Day)</li> </ul>
FY 2013	None	<ul style="list-style-type: none"> <li>▪ Added Step 19, dropped Step 1</li> <li>▪ Added Christmas Eve and New Year's Eve holidays, CY 2012 only, due to timing of the holidays</li> <li>▪ Merit/step increases included</li> <li>▪ Living wage increased to \$13.13 per hour</li> </ul>
FY 2012	None	<ul style="list-style-type: none"> <li>▪ 1% One-time lump sum payment for employees at step 18</li> <li>▪ Merit/step increases included</li> </ul>

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<b>Fiscal Year</b>	<b>COLA/Market Pay Adjustment</b>	<b>Other Changes</b>
FY 2011	None	<ul style="list-style-type: none"> <li>▪ Merit/step increases restored</li> <li>▪ 2% one-time lump sum payment for employees at step 18</li> <li>▪ Increased County-provided life insurance to one times salary, eliminating \$50,000 cap</li> <li>▪ One-day furlough for all employees [NOTE: the furlough day was cancelled through the use of FY 2010 one-time carryover funds]</li> </ul>
FY 2010 Mid-Year	1.00%	<ul style="list-style-type: none"> <li>▪ As part of FY 2009 close-out, County Board approved a 1% MPA effective January 1, 2010 and added for calendar year 2009 only Christmas Eve and New Year's Eve holidays</li> </ul>
FY 2010 Adopted	None	<ul style="list-style-type: none"> <li>▪ No merit/step increases</li> <li>▪ \$500 one-time bonus</li> </ul>
FY 2009	None	<ul style="list-style-type: none"> <li>▪ Increased retirement multiplier (defined benefit) for both general and uniformed employees (from 1.5% to 1.7% retroactively for general employees, and from tiered plan to 2.5% retroactively and 2.7% prospectively for uniformed)</li> <li>▪ For general employees, increased employer's 401(a) contribution to 4.2%; eliminated 401(a) contribution for Public Safety</li> <li>▪ Established concept of flex credits for benefits ("cafeteria plan") – applying to health and dental insurance for FY 2009</li> <li>▪ Living wage increased to \$12.75 per hour</li> </ul>
FY 2008	1.50%	<ul style="list-style-type: none"> <li>▪ Added Christmas Eve and New Year's Eve holidays (calendar 2007 only – Monday holidays)</li> </ul>
FY 2007	2.00%	<ul style="list-style-type: none"> <li>▪ Targeted market rate adjustments, promotional opportunities and career ladders for public safety ranks</li> <li>▪ Location pay stipends</li> <li>▪ Living wage increased to \$11.80 per hour</li> </ul>
FY 2006	2.00%	<ul style="list-style-type: none"> <li>▪ Overtime based on total hours, including leave</li> <li>▪ Living wage set at \$11.20 per hour</li> </ul>
FY 2005	2.00%	<ul style="list-style-type: none"> <li>▪ Additional step (18) added to pay plan</li> </ul>
FY 2004	1.00%	<ul style="list-style-type: none"> <li>▪ Additional 1% lump sum payment in addition to the 1% COLA/MPA</li> <li>▪ Increased pay scale for Firefighters</li> <li>▪ Living wage adopted, set at \$10.98</li> <li>▪ Reduced employee retirement contribution one percentage point (from 5% to 4% for general employees, and 6% to 5% for uniformed)</li> </ul>

**Retirement Plans and County Contribution Rates**

<b>Employer Contribution Rates – FY 2025 Adopted Budget</b>		
<b>Plan</b>	<b>Employee Type</b>	<b>County Contribution Rate</b>
Defined Benefit	General Employees	14.6% of pay
	Uniformed Employees	41.5% of pay
Defined Contribution (Chapter 46 only)	General Employees	4.2% of base pay only
	Uniformed Employees	None
Deferred Compensation Employer Match	Chapter 46 Employees	Up to \$20/pay (\$520/year)
	Chapter 21 Employees	Up to \$10/pay (\$260/year)
<b>NOTES:</b> Chapter 21 employees were hired before 2/8/1981 Chapter 46 employees were hired on or after 2/8/1981		

<b>Defined Benefit Plan – Funding History Percent of Salary Contributed to Retirement Plan</b>				
<b>Fiscal Year</b>	<b>General Employees</b>		<b>Uniformed Employees</b>	
	County Contribution	Employee Contribution	County Contribution	Employee Contribution
FY 2025	14.6%	4%	41.5%	7.5%
FY 2024	14.5%	4%	40.6%	7.5%
FY 2023	14.3%	4%	39.4%	7.5%
FY 2022	14.2%	4%	39.0%	7.5%
FY 2021	14.6%	4%	38.4%	7.5%
FY 2020	15.1%	4%	38.7%	7.5%
FY 2019	15.0%	4%	38.1%	7.5%
FY 2018	14.9%	4%	37.9%	7.5%
FY 2017	14.4%	4%	35.9%	7.5%
FY 2016	15.9%	4%	37.8%	7.5%
FY 2015, revised	17.9%	4%	39.7%	7.5%
FY 2014	16.6%	4%	38.4%	7.5%
FY 2013	14.6%	4%	36.4%	7.5%
FY 2012	14.6%	4%	36.5%	7.5%
FY 2011	14.4%	4%	35.5%	7.5%
FY 2010	13.8%	4%	35.1%	7.5%
FY 2009 (effective 1/1/09)	13.8%	4%	35.1%	7.5%
FY 2008	9.8%	4%	19.4%	5%
FY 2007	8.3%	4%	16.3%	5%
FY 2006	6.4%	4%	13.6%	5%
FY 2005	4.9%	4%	10.5%	5%
FY 2004	3.5%	4%	7.2%	5%
NOTE: In all fiscal years through December 2008, the contribution amount was calculated against gross salary. Effective January 2009, overtime and premiums are excluded for Chapter 46 employees.				

<b>Defined Contribution Plan (Chapter 46 ONLY) – Funding History</b>				
<b>Percent of Base Pay Contributed to Retirement Plan</b>				
<b>Fiscal Year</b>	<b>General Employees</b>		<b>Uniformed Employees</b>	
	County Contribution	Employee Contribution	County Contribution	Employee Contribution
FY 2010 through FY 2025	4.2%	-	-	-
FY 2009 (as of 1/1/09)	4.2%	-	-	-
FY 2003 through FY 2008	2%	-	1%	-

**Employee Health Insurance**

- The FY 2025 Budget includes a 7% increase for all three Cigna plans, 6% increase for Kaiser, and 5% increase for the two Delta Dental plans.