Desk Guide: Completing Employee Pay Assessments (EPA) for Temporary Work-Out-of-Class (WOC) Assignments[1]

Changes Since Last Version

- Changed ‘Equal’ Pay Assessment to ‘Employee’ Pay Assessment
- Added scenarios and ‘Step 4’ to ‘section II
- Added ‘Reassessments’ (section III)
- Replaced ‘Next Steps’ with ‘Differential Effective Date’ (section IV)

I. Overview

EPAs are now used when determining temporary WOC differentials.

Effective Date:

- **11/21/2025** for employees covered by CHRO Pay Practices Policy[2]
- **Date of ratification of collective bargaining agreement (CBA)** for represented employees*

Impact: Changes apply to employees on existing temporary WOC assignments as of the effective date of the change and any future temporary WOC assignments.

***Note:** Refer to the applicable collective bargaining agreement for the effective date of changes for represented employees.*

II. Determining the WOC Differential

Step 1: Calculate 5% increase of the employee’s current base pay

- Example: If the employee earns $4,000/month, 5% = $200; employee’s base pay + 5% = $4,200/month

Step 2: Complete an EPA using the Oregon State Step Calculator on the **Equal Pay Website**.

[1] These instructions are for temporary WOC assignments only. Refer to applicable policy or CBA for guidance on WOC pending reclassification differentials.
[2] See Addendum D – Pay Differentials policy 20.005.11

➢ **For *existing* temporary WOC assignments** starting ***before*** the effective date of the change, complete EPA to determine if adjustment is needed to the current differential.

Calculator Process:
- **Calculation Type**: Review in current position
- **Calculation Date**: Effective date of change
- **Current Job Profile**: WOC assignment
- **Classification Hire Date**: Start date of WOC
- **Education:** Credit for highest advanced degree received
- **Relevant Prior Experience**: Include any experience relevant to the WOC assignment, including the 'base' position, if relevant
- **Completed Date**: Date calculation is conducted

➢ **For new temporary WOC Assignments** starting ***on or after*** the effective date of change, complete EPA to determine differential at the start of the assignment.

Calculator Process:
- **Calculation Type**: New employee/new job
- **Calculation Date**: Start date of WOC assignment
- **Prospective Job Profile**: WOC classification
- **Education:** Credit for highest advanced degree received
- **Relevant Prior Experience**: Include any experience relevant to the WOC assignment, including the 'base' position, if relevant
- **Completed Date**: Date calculation is conducted

Step 3: Compare the EPA result to the employee's base salary plus 5% to determine the WOC differential that provides the greatest benefit to the employee:

General guideline

➢ If EPA ≤ base + 5%, apply 5% to base.

➢ If EPA > base + 5%, apply EPA Recommended Step

- Scenario A: If the outcome of the assessment results in a salary rate that is less than or equal to the employee's base pay plus 5%, a 5% WOC differential will be applied to the employee's base rate of pay.

  Example:
  - Employee's base pay: $4,000/month
  - Base pay + 5%:
    - $4,000 ×.05 = $200
    - $4,000 + $200 = **$4,200**
  - EPA outcome: **$4,150** (< $4,200)

  Result: Apply ***5% WOC differential*** to base pay ($200)

- Scenario B: If the outcome of the assessment results in a salary rate that is greater than the employee's base pay plus 5%, the WOC differential will be the dollar amount equaling the difference between the employee's base salary and the outcome of the EPA.

  Example:
  - Employee's base pay: $4,000/month
  - Base pay + 5%:
    - $4,000 ×.05 = $200
    - $4,000 + $200 = **$4,200**
  - EPA outcome: **$4,500** (> $4,200)

  Result: Apply ***dollar amount differential*** for the difference between EPA salary and base salary ($4,500 – $4,000 = ***$500***)

Step 4: Upload the WOC EPA to the employee's Workday account.

III. Reassessments – WOC Amount Differentials

Dollar-amount temporary WOC differentials can be impacted by a change in an employee's base salary (e.g. COLAs, merit increases), so it is important for agencies to reassess the differential amount and adjust, as needed. [3]

Since base salary changes do not affect the original step outcome of the Oregon State Compensation Step Calculator, **agencies do not need to complete a new calculator when reassessing the differential**.

Steps to Reassess the Differential:

1. Calculate a 5% increase on the employee's updated base salary (base +5%)
2. Compare the new base + 5% to the higher classification salary
3. Choose the higher option (% or dollar amount)
4. Update the differential if needed.

Scenario A: 2% COLA

Before COLA
- Base Salary: $4,800
- Higher Classification Salary (EPA): **$5,200**
- Base Salary + 5%
  - $4,800 × 0.05 = $240
  - $4,800 + $240 = **$5,040**

[3] Temporary WOC assignments with a percentage differentials do not need to be reassessed following COLA or merit increases on the base position.

- Results – Higher classification salary (EPA) is the greater benefit
    - Apply Dollar Amount Differential: $5,200 – $4,800 = **$400**

After 2% COLA

- New Base Salary: $4,896
- New Higher Classification Salary (EPA): **$5,304**
- Base Salary + 5%
    - $4,896 × 0.05 = $244.80
    - $4,896 + $244.80 = $5,140.80
- Results – Higher classification salary (EPA) is the greater benefit
    - Dollar amount differential: $5,304 – $4,896 = **$408**

Scenario B: Merit Increase

For a temporary WOC, a merit increase in an employee's regular position does not change their step in the higher classification (EPA). However, it does raise their base salary, which reduces the pay difference between the two positions.

Example B1 – Dollar Amount Differential Highest

Before Merit Increase

- Base position salary: $4,900
- Higher classification salary (EPA): $5,400
- Base Salary + 5%
    - $4,900 × 0.05 = $245
    - $4,900 + $245 = $5,145
- **Results:** Higher classification salary (EPA) is the greater benefit
    - Dollar amount differential was applied: $5,400 - $4,900 = $500

After Merit Increase

- Base position salary: $5,100
- Higher classification salary (EPA): $**5,400**
- Base Salary + 5%
    - $5,100 × 0.05 = $255
    - $5,100 + $255 = **$5,355**
- **Results:** Higher classification salary (EPA) still the greater benefit
    - Increase dollar amount differential: $5,400 - $5,100 **= <u>$300</u>**

Example B2 – % Differential Highest

Before Merit Increase

- Base position salary: $4,800
- Higher classification salary (EPA): **$5,200**
- Base Salary + 5%
  - $4,800 × 0.05 = $240
  - $4,800 + $240 = **$5,040**
- **Results**: Higher classification salary (EPA) is the greater benefit
  - Dollar amount differential was applied: $5,200 - $4,800 = $400

After Merit Increase

- Base position salary: $5,100
- Higher classification salary (EPA): **$5,200**
- Base Salary + 5%
  - $5,100 × 0.05 = $255
  - $5,100 + $255 = **$5,355**
- **Results**: Base salary + 5% is now the greater benefit
  - Change to **<u>5% differential</u>** ($255)

In scenario **B2**, the gap between the employee's base salary and the higher classification salary decreased to the point where it is now less than 5% of the employee's base pay. To maintain the highest benefit for the employee, the differential should be changed to 5%.

IV. Differential Effective Date

- If a temporary WOC started before EPAs were required, the pay change should start on the date of the policy update or CBA ratification. It cannot start before that date.
- If a temporary WOC started on or after EPAs were required, the pay change should start on the date the WOC began.
- If the differential changes because of a COLA or merit increase, the pay change should start on the same date as the COLA or merit increase. Agencies should add notes in Workday explaining why the differential changed.

Questions? For additional support with conducting EPAs, please contact:

- **Equal Pay Team** – chro.payequity@das.oregon.gov