

Compensation

Attracting and Retaining Quality County Employees

The County's compensation policy is as follows:

Prince William County (PWC) will have a combination of salaries, benefits, employee development, and workplace environment that will attract and retain the most qualified employees to implement the County's vision. To accomplish this, the County recognizes the importance of maintaining salaries that are competitive with other Northern Virginia jurisdictions. Success in implementing this strategy will be measured by the ability to attract quality applicants, retain quality employees, and maintain employee satisfaction.

To implement this compensation policy, PWC will make every effort, within the County's position classification structures, to maintain salaries comparable to salaries of similar positions in Fairfax, Loudoun, and Arlington counties, and the City of Alexandria. The County will annually benchmark position classifications at the midpoint and adjust when necessary to maintain market competitiveness.

General Overview

- A. Budgeted Salary Lapse** – This account reduces agency expenditure authority to account for agency vacancy savings during the fiscal year. Salary lapse is a negative budget line item representing savings to taxpayers which is netted against an agency's Salaries and Benefits budget. The total required agency savings in budgeted salary lapse is \$24.4 million in FY25.
- B. Position Reclassifications and Salary Structure Updates** – The County implemented a new classification and compensation structure during FY21 to more accurately reflect the work performed by employees while allowing the flexibility needed to effectively attract, manage, and retain employees.

Organizational changes require multiple Decision Band Method (DBM) and classification changes, as follows, effective July 1, 2024:

Proposed New Classifications in FY2025 Budget			
Department	Title	Grade (DBM)	Code
Community Services	Autonomous Nurse Practitioner	M61	X243
Countywide	Business Systems Administrator	C45	T616
Executive Management	Chief Procurement Officer	D72	T316
Housing & Community Development	Housing Program Supervisor	C43	X326
Housing & Community Development	Senior Housing Program Analyst	C42	X325
Housing & Community Development	Senior Housing Program Manager	C52	X327
Police	Veterinarian	M61	X244
Youth Services	Director of Department Youth Services	E82	S31282

DBM Changes in FY2025 Budget			
Department	Title / Code	Current DBM	New DBM
Economic Development	Economic Development Director (S31282)	E82	E91
Transportation	Assistant Director of Transportation (U481)	D62	D63

Abolish Classification in FY2025 Budget			
Department	Title	Grade (DBM)	Code
Finance	Assistant Director of Procurement for Finance	D63	T315

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In addition, the proposed budget includes the establishment of a separate medical salary structure for healthcare professional positions to appropriately align with comparable salaries in the Northern Virginia labor market. The following positions will be placed on the medical salary structure: Medical Director (code M71), Psychiatrist-Medical Doctor (code M61), Autonomous Nurse Practitioner (code M61), and Veterinarian (code M61).

Medical Salary Structure (effective 7/1/2024)			
DBM	Minimum	Midpoint	Maximum
M61	\$101,439.00	\$218,507.25	\$335,575.50
M61 (hourly)	\$52.02	\$112.06	\$172.09
M71	\$122,265.00	\$258,765.00	\$395,265.00
M71 (hourly)	\$62.70	\$132.70	\$202.70

Budget Initiatives

A. Budget Initiatives

1. Market Pay Adjustment

Expenditure	\$11,359,835
Revenue	\$0
General Fund Impact	\$11,359,835
FTE Positions	0.00

- a. **Market Adjustment** – Funding is included to support market adjustment increases in FY25. Market adjustments help to maintain competitiveness between Prince William County and other Northern Virginia jurisdictions. Individuals within the pay scale will receive an increased salary based on the percentages identified for their group up to the maximum of the pay scale.

The table below shows market adjustment rates by effective fiscal year and employee category that have occurred in the recent past and planned for the future. Market adjustments for employees will occur on July 1, 2024. An additional adjustment is planned for sworn positions in the Adult Detention Center, Fire & Rescue, and Sheriff in FY26. The total general fund cost of market adjustments is \$58,975,558 in FY25-29.

History of Approved Market Adjustments in FY23 & FY24 and Proposed in FY25 & FY26					
	FY23	FY24	FY25	FY26	Total
Market Pay Adjustment:					
General Service (Non-sworn)	-	6.00%	2.50%	-	8.50%
Adult Detention Center (Uniformed) *	15.00%	-	1.25%	1.25%	17.50%
Fire & Rescue (Uniformed) * / ***	15.00%	-	1.25%	1.25%	17.50%
Police (Sworn) **	17.50%	-	-	-	17.50%
Sheriff (Sworn) *	15.00%	-	1.25%	1.25%	17.50%

* During the FY24 Budget adoption the BOCS approved 15.0% market adjustments to begin on April 1, 2023 (FY23).

** BOCS approved 17.5% market adjustment in December 2022 and became effective January 1, 2023 (FY23).

*** The Fire & Rescue market adjustment in FY25 & FY26 is included in the ratified Collective Bargaining Agreement (CBA).

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2. Year of Service/Merit Adjustment

Expenditure	\$11,179,206
Revenue	\$0
General Fund Impact	\$11,179,206
FTE Positions	0.00

- a. **Year of Service/Merit Adjustment** – Funding is included to support a 3.0% merit increase for General Service personnel and a year of service (step) increase for sworn personnel in FY25. Annual year of service/merit adjustments of 3.0% are included in each remaining year of the Five-Year Plan (FY26-29). Individuals receive this increase on their annual employment anniversary date (also referred to as the ‘adjustment date’). The total general fund cost of year of service/pay for performance adjustments is \$167,688,092 in FY25-29.

For General Service personnel, the basic pay increase is calculated on the employee’s current salary/pay as a percentage increase until the employee reaches the maximum salary/pay for that position. The County classification system establishes the pay scale (minimum/maximum) for each position classification and those scales are not extended beyond the maximum due to pay for performance adjustments. Individuals receive their pay adjustment on their adjustment date. Most General Service personnel have an adjustment date of November 1 each fiscal year.

For sworn personnel, their year of service is credited annually on their individual adjustment date. Each year of service is equal to a 3% increase in pay until the individual has achieved the maximum salary in the pay scale for their job classification.

- b. **Future Compensation Rollover** – Each year compensation actions are rolled over into the next budget year. This includes positions which were initially funded for a partial year and require a full year budget in the next fiscal year. Pay rollovers are necessary because not all employees receive pay increases at the beginning of the fiscal year. Therefore, a pay increase given halfway through a fiscal year needs to be funded for the entire next fiscal year. This rollover captures the full cost of providing year of service/merit increases to employees. When no pay increase is authorized, little if any compensation rollover funds are added to the budget in the next budget year. The total general fund cost of compensation rollover is \$27,948,016 in FY25-29.

3. Collective Bargaining

Expenditure	\$9,323,676
Revenue	\$0
General Fund Impact	\$9,323,676
FTE Positions	0.00

- a. **Overview** – On January 16, 2024, the PWC Board of County Supervisors (BOCS) ratified the Collective Bargaining Agreement (CBA) between PWC and the International Association of Fire Fighters (IAFF) and PWC Police Association via [BOCS Resolution 24-050](#). Additional detail on the impact of individual agreements are include in the Fire & Rescue and Police agency budget pages in this document.

- **Fire & Rescue** – The CBA includes provisions for specialty incentive pay, 1.25% market adjustments in FY25 and FY26, and training and education support. The FY25 funding necessary to support the ratified CBA with the IAFF is \$4,237,176. The total cost associated with the CBA provisions for Fire & Rescue is \$24,997,880 in FY25-29.
- **Police** – The CBA includes provisions for on call pay, \$1,000 lump sum payments in FY25 and FY26, compensation study, increase in the shift differential and supplemental pay for crime scene technicians. The FY25 funding necessary to support the ratified CBA with the PWC Police Association is \$5,086,500. The total cost associated with the CBA provisions for Police is \$22,774,500 in FY25-29.

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4. Pension and Retirement Benefits Adjustment

Expenditure	\$3,132,842
Revenue	\$0
General Fund Impact	\$3,132,842
FTE Positions	0.00

- a. **Virginia Retirement System (VRS)** – The certified VRS employer contribution rate for PWC will be 15.89% of employee salaries and become effective July 1, 2024. VRS rates are evaluated and certified by the VRS Board of Trustees every two years coinciding with the State’s biennium budget. This represents a 0.03% (3 basis point) reduction to the current rate of 15.92% at a savings of \$121,552 per year.

With the new effective rate, VRS have mandated a change in how jurisdictions pay costs to support employees under the VRS Hybrid retirement plan. The VRS Hybrid plan has both a defined benefit and defined contribution component. The employer is now responsible for funding the employer contribution to the defined contribution plan on behalf of VRS Hybrid members. Previously, the employer was only responsible for paying the defined benefit rate or contribution rates as noted above. This change will result in an increased cost to the County of \$3,077,061 per year. The total general fund cost associated with the VRS changes is \$14,777,545 in FY25-29.

- b. **Retiree Health Credit** – County employees are not provided health insurance coverage upon retirement. The County Retiree Health Credit program is available to employees upon separation and retirement from County service. All full-time employees and existing retirees with a minimum of 15 years of County service can receive \$5.50 per month for each year of service, up to a maximum of \$165 per month for 30 years of County service. When the \$45 maximum per month currently offered as part of the State VRS is added, the maximum for 30 years of County service increases to \$210 per month.

The Retiree Health Credit Program is separate from and in addition to the existing VRS Health Credit program, which is also completely funded by County contributions. A 5.0% cost increase of \$177,333 in the retiree health credit budget is projected to cover growth in this benefit due to additional retirees. The benefit paid to each individual retiree has not increased. The additional total general fund cost associated with the Retiree Health increase is \$2,844,105 in FY25-29.

5. Health and Dental Insurance Adjustment

Expenditure	\$2,209,511
Revenue	\$0
General Fund Impact	\$2,209,511
FTE Positions	0.00

- a. **Health and Dental Insurance** – This initiative funds County employer contributions for health and dental insurance increases required to maintain the stability of the County’s self-insurance fund. The expenditure increase supports the County’s employer insurance contributions.

The Five-Year Plan contains annual increases to insurance rates in FY26-29. The total general fund cost for the County’s employer contribution for health and dental insurance is \$62,323,894 in FY25-29.

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Summary of Compensation Adjustments in FY2025-2029 Five-Year Plan						
(Amounts are Cumulative)						
	FY25	FY26	FY27	FY28	FY29	Total
Market Pay Adjustment:						
Market Pay Adjustment - Adult Detention Center (1.25% Increase in FY25 and FY26) - Uniform	\$ 0.4 M	\$ 0.8 M	\$ 0.8 M	\$ 0.8 M	\$ 0.8 M	\$ 3.6 M
Market Pay Adjustment - General Service (2.5% Increase in FY25) - Nonsworn/Nonuniform	10.8 M	10.8 M	10.8 M	10.8 M	10.8 M	54.1 M
Market Pay Adjustment - Sheriff (1.25% Increase in FY25 and FY26) - Sworn	0.1 M	0.3 M	0.3 M	0.3 M	0.3 M	1.3 M
Subtotal (Market Pay Adjustment)	\$ 11.4 M	\$ 11.9 M	\$ 11.9 M	\$ 11.9 M	\$ 11.9 M	\$ 59.0 M
Year of Service/Merit:						
Year of Service/Merit Adjustment (3% Increase in FY25; 3% Annual Increase in FY26-29)	\$ 11.2 M	\$ 22.4 M	\$ 33.5 M	\$ 44.7 M	\$ 55.9 M	\$ 167.7 M
Compensation Rollover	0.0 M	2.8 M	5.6 M	8.4 M	11.2 M	27.9 M
Subtotal (Year of Service/Merit)	\$ 11.2 M	\$ 25.2 M	\$ 39.1 M	\$ 53.1 M	\$ 67.1 M	\$ 195.6 M
Collective Bargaining Agreement:						
Fire & Rescue	\$ 4.2 M	\$ 5.2 M	\$ 5.2 M	\$ 5.2 M	\$ 5.2 M	\$ 25.0 M
Police	5.1 M	4.9 M	4.3 M	4.3 M	4.3 M	22.8 M
Subtotal (Collective Bargaining)	\$ 9.3 M	\$ 10.1 M	\$ 9.5 M	\$ 9.5 M	\$ 9.5 M	\$ 47.8 M
Pension and Retirement Benefits:						
Virginia Retirement System (VRS) (Change to 15.89% Rate in FY25 and modifications to VRS Hybrid costs for employers)	\$ 3.0 M	\$ 3.0 M	\$ 3.0 M	\$ 3.0 M	\$ 3.0 M	\$ 14.8 M
Retiree Health Credit (5% Annual Increase)	0.2 M	0.4 M	0.6 M	0.8 M	1.0 M	2.8 M
Subtotal (Pension and Retirement)	\$ 3.1 M	\$ 3.3 M	\$ 3.5 M	\$ 3.7 M	\$ 3.9 M	\$ 17.6 M
Health and Dental Insurance:						
Health Insurance	\$ 2.1 M	\$ 6.6 M	\$ 11.6 M	\$ 17.0 M	\$ 23.0 M	\$ 60.4 M
Dental Insurance	0.1 M	0.2 M	0.4 M	0.5 M	0.7 M	1.9 M
Subtotal (Health and Dental)	\$ 2.2 M	\$ 6.8 M	\$ 12.0 M	\$ 17.6 M	\$ 23.7 M	\$ 62.3 M
Grand Total	\$ 37.2 M	\$ 57.3 M	\$ 76.0 M	\$ 95.7 M	\$ 116.1 M	\$ 382.3 M

Totals may not add due to rounding.

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