

**CITY OF AMARILLO
POLICIES AND PROCEDURES**

Department:	Human Resources Department
Procedure:	Lump-sum Payments (Over the Range Maximum)
Effective Date:	October 1, 2016

Purpose:

The purpose of this policy is to provide clear instructions and requirements for employees who may receive a lump-sum payment in lieu of an annual pay increase.

Scope:

All Departments/All City Employees (full-time employees), excluding sworn, non-exempt Fire and Police personnel.

Policy:

Employees whose salaries are equal to or greater than the pay range maximum of their salary range at the time of their annual performance appraisal may be eligible to receive an “**over the range maximum**” payment in lieu of an increase to their base salary if their performance rating is “Meets Expectations” or better.

Employees may receive the full value of a merit increase in one lump-sum payment. The payment will be processed on or around the employee’s annual review/anniversary date.

Over the range maximum payments are not compounded from year to year. These payments are one-time payments and are not considered part of an employee’s base salary. However, employee and employer retirement contributions will be calculated on both the employee’s salary and the range maximum (**lump-sum**) payment.