

Classification & Compensation Reform

General FAQs

What is classification and compensation reform?

Classification and compensation reform focuses on revising the way employees are paid. It aims to create a more modern and competitive compensation system that aligns with the state's goals to attract, motivate and retain talent. The reform involves updating salary structures and pay grades.

Why is this reform happening?

The FY 2021-22 Appropriations Act directed the South Carolina Department of Administration to engage an external consultant to conduct a study and to provide expert recommendations to reform the state's classification and compensation system. The contract was awarded to Mercer who provided final recommendations in April 2024. Funding for implementation of Mercer's recommendations was included in the FY 2025-26 Appropriations Act.

Who is impacted by classification and compensation reform?

All employees in classified positions in state agencies with the exception of classified employees in institutions of higher education are impacted by classification and compensation reform. Classified employees in institutions of higher education and other employees in unclassified positions are not included in the reform.

Are unclassified employees impacted?

Unclassified employees, which includes all employees at non-regulated agencies, will not be affected by classification and compensation reform. Proviso 117.141 (Employee Compensation) of the FY 2025-26 Appropriations Act grants a 2% increase to unclassified and non-judge judicial unclassified employees.

Are classified employees in institutions of higher education impacted?

The pay bands for classified employees in institutions of higher education will not change as part of classification and compensation reform. The ten pay bands for institutions of higher education will be maintained and increased by 2%. Proviso 117.141 (Employee Compensation) of the FY 2025-26 Appropriations Act grants a 2% increase to classified employees at institutions of higher education.

Will my job duties change?

No. Individual employee job duties will not change as a result of classification and compensation reform.

Where can I view my new pay structure and pay grade?

You can view your state job pay structure and pay grade on the South Carolina Department of Administration's website, admin.sc.gov. On the homepage, select Services from the top navigation menu and use the dropdown menu to navigate to State Human Resources and then Classification and Compensation. Then select State Job Classifications and Pay Structures from the right sidebar

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navigation. From here you can view information on your state job classification, assigned pay structure, pay grade and state salary range.

How will pay increases be determined?

Pay increases will be determined by the slotting of existing classified positions into the four new pay structures. Proviso 117.141 (Employee Compensation) of the FY 2025-26 Appropriations Act states that an employee will receive either the minimum of their newly assigned pay grade or a 2% increase, whichever is greater.

Will there be any pay decreases as part of this reform?

No. No state employee will experience a decrease in pay as a result of the 2025 classification and compensation reform.

Will new hires be paid more than existing employees in the same role?

Hiring salaries must comply with the applicable salary ranges but the responsibility for reviewing pay compression and salary equity is the responsibility of the agency.

When will pay changes take effect?

Changes to the state's classification and compensation system are scheduled to take effect on **June 2, 2025**. Due to timing, the salary increase is not in the July 1, 2025, paycheck. The July 16, 2025, paycheck will contain the increase amount due for both the July 1 and July 16 paychecks. The Aug. 1, 2025, paycheck will reflect the increase going forward.

After initial implementation, will the pay structures and pay grades be adjusted over time?

The pay structures and pay grades will be evaluated by the South Carolina Department of Administration's Division of State Human Resources (DSHR) on a regular basis to determine whether adjustments are warranted based on external market conditions. All structures may not be adjusted simultaneously or in the same amounts.

Who can I contact if I have more questions?

If you are a state employee, a great place to start is your immediate supervisor/manager. You can also reach out to your agency's human resources department for more information.