



# POLICY CLARIFICATION

<b>STATUTORY/RULE REFERENCE NUMBER:</b> N/A	<b>TRACKING NUMBER:</b> 2008-#003
<b>SUBJECT:</b> <i>Definition Of Turnover For Competitive Pay Issue</i>	
<b>APPROVAL SIGNATURE:</b> Sharon D. Larson, Director <i>Sharon D. Larson</i>	<b>EFFECTIVE DATE:</b> October 15, 2008

**Issue:**

To clarify what constitutes turnover for purposes of determining whether a pay adjustment is justified (competitive pay issues) and the formula for calculating this turnover rate.

**Policy:**

1. Turnover (statewide or geographic) is defined as an employee initiated separation from the State Personnel System (SPS) and includes the movement of an employee to a state government agency outside the SPS. Such turnover is used to identify potential competitive pay issues which result in hiring and retention difficulties.
2. The People First separation codes used for calculating the turnover rate are:
  - 51 - Career Advancement Outside State Government
  - 53 - Termination – employee initiated
  - 62 - Abandonment
3. The formula for calculating this turnover rate (percentage) for a class<sup>1</sup> is as follows:

$$\frac{\text{Total number of separations}}{(\text{Sum of FTE}^2 \text{ for beginning of period} + \text{Sum of FTE for ending of period})/2}$$

<sup>1</sup> Class as determined in the old State Personnel System classification system.  
<sup>2</sup> Includes established vacant and filled positions.