



PAY HARMONIZATION

FREQUENTLY ASKED QUESTIONS

1 What is Pay Harmonization?

Payroll Harmonization is the process through which salary of employees with the same position are fully or partially matched to minimize salary disparity. It means, for example, all directors, drivers, receptionists, office assistants, etc. at all government agencies should be within the same salary range, if not earn exactly the same salaries once they have all the same qualification or competence.

2 Why is the Government now Harmonizing Pay?

The GoL is now harmonizing pay to create equity in pay across government by reducing or eliminating the huge salary disparity that currently exists mainly as a result of the discretionary assignment and payment of general allowances.

3 Is the Pay Harmonization the Same as Pay Reduction or Pay Cut?

No. Pay cut is a general cut in the salary of employees using a flat amount or percentage regardless of levels. During a general pay cut exercise, no one is protected unlike a targeted pay cut that provides exemptions based on specific set of criteria. In Pay harmonization, an employee only gets pay cut or reduction if he/she is earning above his or her assessed pay grade.

4 What is Pay Grade?

Pay grade is the level on a pay scale where each employee fits. It is the combination of the Pay family and step. For example in P1-1, P1 represents professional employees at level one, while the number one represents the first out of a number of steps.

5 Was there a Pay Grade Before?

Yes. The Civil Service Agency (CSA) developed and implemented pay grade for civil servants that earned basic

salary. These civil servants, about 43,000, represented only 29 government ministries and agencies. Other civil servants who were not under the CSA but paid through the general allowance were not graded.

6 Who will it affect?

All employees of the Government of Liberia, who are paid out of the Government's Consolidated Account, are subject to pay and grade review for the purpose of pay harmonization.

7 How is this Pay Grade different from the Previous CSA Grading System?

This pay grade is a revision to the existing civil service pay grade. Basic salary and allowances were consolidated before determination of the pay amount of each pay level. Secondly, the consolidated grading system provides grading for all employees of government including presidential appointees, elected officials, teachers, health workers, security officers, economists, accountants, etc.

8 Will this be a short- or long-term policy?

Wage Bill Harmonization is part of a Short, medium - to Long-Term Strategy for reducing the public sector wage bill to an affordable level of around 40% of domestic revenue and 5-6% of GDP. Other strategies will be implemented to support the harmonization exercise and help the government reach its wage bill target.

9 What will the Savings (monies) Pay Harmonization be used for?

Pay Harmonization will generate savings from individuals paid above the government's pay and grade established for the positions they currently occupied. These savings will be used for two purposes: 1. To partially top-up the pay of those who are currently earning below their current pay grade and 2. To increase the government expenditure on goods and services, which are designed to increase services to the population.

10 Were all employees graded under the same pay scale?

No. Different pay scales were developed and used to properly and fairly grade all employee of government. Besides the Generic pay scale, the most used scale, the inter-agency wage bill team developed and used different scale to grade employees of the health, education, security sectors, and special purpose and anti-graft institutions. However, for the education, health and security sectors, employees that were not directly involved in providing health, education or security services are graded under generic grading system where most employees (including presidential appointees) are graded.

11 After the Grading, will there still be Allowance & Basic Salary?

No. There will be only ONE PAY called Salary, which will be the summation of employee's basic salary and allowances where applicable. The salary for most agencies will be centralized at the CSA and the Ministry of Finance and Development Planning.

12 Which Currency will the new single pay be in?

The new single pay will be denominated in USD but there will be 65% payment in USD and 35% payment in LRD. The LRD 35% portion will be changed at the exchange rate of the Approved FY19/20 National Budget.

13 When & How will the Harmonization be effected?

For employees currently earning above their assessed grade, their pay will be adjusted downward to their harmonized pay effective July, 2019. For employees earning below their assessed grade, upward adjustment to their harmonized pay will be phased over subsequent budget years, and they will not experience any change in their pay. However, as a demonstration of the government's commitment to affect upward adjustment, other employees within the security sector will receive immediate upward adjustment beginning July 2019.

14 How has the harmonization helped the Payroll?

Besides assigning pay grade to all employees, the harmonization has helped reduce the government wage bill from US\$322 million at end of FY18/19 to US\$297 million for FY19/20, an estimated US\$25 million reduction or savings.

15 How many employees have been graded?

About 66,538 employees have been graded covering about 100 spending entities under the Executive Branch of the central government.

16 Which Employees get immediate increment and by how much?

Mainly employees in the security, education and health sectors as shown in the following table.

No.	Employees	Current Pay	Starting July 2019
1	Liberia National Police	US\$169	US\$205
2	Liberia Immigration Service	US\$135	US\$185
3	Liberia National Fire Service	US\$104	US\$154
4	Drug Enforcement Agency	US\$75	US\$125
5	Armed Forces of Liberia	US\$260	US\$290
6	Teachers & Health Workers (MOE & MOH)	b/w US\$40-75	US\$100

17 What was the saving allocated to?

The amount realized from the savings was redistributed towards immediate upward adjustment of the monthly pay for security officers, teachers and health workers on the supplementary payrolls, and largely priority programs of the FY19/20 budget.

18 How will the GoL implement upward adjustment to Employees that are currently earning below their assessed pay grade?

The Government will use savings from additional payroll cleanup measures, funding from extra revenue measures, etc. to systematically adjust employees earning below their assessed pay grade over 2-4 years.

19 How many employees did the Harmonization affect in term of upward, downward, zero effects?

For now, about 56,338 employees were protected or did not experience downward adjustment, while only 10,200 employees experienced downward adjustment mainly ranging from US\$2 to US\$500, representing about 80% of the total downward adjustment. Besides salaries for about 14,900 employees (mainly security officers and supplementary teachers) being protected from downward adjustments, they were also increased and will be effective beginning July 2019.

20 Will the Harmonization Cover all Government Employees?

Yes. Besides central government employees who have been graded, salaries of other government employees such as consultant and contractors of Specialized Units or Project Units within Ministries and Agencies, and employees of State Owned Enterprises (SoEs) are also being harmonized to ensure maximum equity. Consultancy contracts of specialized units or project units for FY19/20 will be drafted in accordance with the harmonized measures before becoming effective.