

Red Circle FAQ's

What does “Red-Circling” mean?

Employees whose rate of pay is higher than the maximum of the pay range for their position are “red circled.” Red circled positions shall be handled as follows:

- A. If the current rate of pay exceeds the maximum range allowable for the grade, there will be no increase in the rate of pay; and
- B. Future pay increases shall be suspended until the employee's rate of pay conforms to the maximum range for the assigned grade.
- C. City wide wage adjustments may be applied to all employees including those who are “red circled” by the Chief Administrative Officer.

Why would an employee be Red-Circled?

This can happen for several reasons:

- A classification study resulted in a new salary structure.
- Market adjustments lowered the top of the range for a job.
- A position received a pay change that now exceeds the maximum of their grade.
- Administrative action.

How do I know if I am in a Red-Circled position?

- Go to the City's Total Rewards (Compensation/Benefit) site <https://www.cabq.gov/humanresources/total-rewards>
- The Classification and Compensation tabs are at the bottom of the page.
- Click on the Classified City Position Placement > View The Full Classified City Position Placement Information tab. Select the appropriate Fiscal Year (FY) to view.
- Search by classification series. Red circle job codes have a penetration percentage above 100% and are highlighted pink with red font.
- For additional questions, contact your department HR Coordinators or Classification and Compensation at, class_comp@cabq.gov

Will I still be considered Red-Circled if I promote or transfer into another position?

No. Red-Circling is tied to the position classification, not to you as an individual employee. However, if you promote into a position that is already designated as Red-Circled, your pay will be set at the established rate for that classification. In that case, you would once again be considered Red-Circled and would not be eligible for annual increases until the pay structure realigns.

How did pay for my position end up exceeding the market?

Over time, adjustments were made to address internal equity and other pay practices. In some cases, these adjustments increased salaries beyond the current market value for similar positions. As a result, certain positions now exceed market levels until the pay structure realigns.

How does being red circled affect future pay increases for my position?

Being red circled means the positions current base rate of pay is already above the maximum of the assigned salary range for the position. As a result:

- The position will not receive additional base pay increases (such as cost-of-living adjustments or general market adjustments) until the range for the classification increases to a level that encompasses the positions current salary.
- If the classification's pay range increases in the future and the current salary falls within the new range, the position may again be eligible for base pay increases.

When will the City's pay ranges be increased?

At this time, there is no established timeline for updating the City's pay ranges. Pay range adjustments are considered as part of the City's ongoing compensation review process and are dependent on a variety of factors, including market analysis, organizational priorities, and available funding.

Why does the City use Red-Circling?

The City uses Red-Circling to maintain fairness and consistency in compensation. It ensures that pay structures remain equitable and aligned with approved market ranges, while also keeping employees' salaries consistent with the maximums established for their assigned classifications.

If I am still in a Red Circled position in FY27, will there still be an alternate compensation payment?

The program is currently being re-evaluated.

Glossary of Compensation Terms

Red Circle – When an employee's salary is **above the maximum** of the pay range for their job classification.

Green Circle – When an employee's salary is **below the minimum** of the pay range for their job classification.

Benchmarking – The process of comparing the City's pay structures against market standards to ensure compensation is competitive and fair.

Penetration Percentage – A metric that shows where an employee's salary falls within their pay range, expressed as a percentage of the range.

Midpoint – Also known as the **50th percentile**, this is the exact middle of a pay range and typically reflects the market average for similar jobs.

Compensation Study – A review conducted to evaluate employee pay in relation to market data and internal equity, ensuring salaries are both competitive and fair.