

**THE ANALYSIS OF THE ACTUAL STATE OF COMPENSATION
SYSTEM FOR MUNICIPAL EMPLOYEES
(on the example of personnel management department
and personnel policy of Samara administration)**

© 2009 N.N. Istomina*

Keywords: compensation system, municipal service, benefits plan, bonus payments, additional tangible payments, causes of revision of salary.

This paper considers the actual state of compensation system for municipal employees. The analysis of regulatory and legal background for the control of compensation is carried out.

In the current conditions the basic principles of compensation system for municipal employees is regulated by the Federal Laws "Concerning the General Principles of the Organization of Local Government in the Russian Federation" of 06.10.2003 № 131-Federal Law and "Concerning the Municipal Services in the Russian Federation" of March, 2nd 2007 №25-Federal Law. In accordance with these laws the Russian Federation subjects including Samara region by themselves accept the Statements "Concerning financial allowance of persons in positions of municipal services" on the territory of the municipal formation.

Compensation system for municipal employees includes the following elements: I) basic salaries; II) benefits plan; III) bonus payments; IV) additional tangible payments; V) causes of revision of salary.

I. In the personnel management department a time-based system of payment is used as the time-benefit form.

Salary rate is set in rubles and is rated or increased simultaneously with the rating and increase in salary rate of municipal employees of Samara. The main rate of compensation depends on the position of a municipal employee in the hierarchical structure of the department. In accordance with the article 8 of Federal Law № 25-Federal law "Concerning the Municipal Services in Russian Federation" there are 5 main levels of municipal service.

The increase in salary happens in correlation with the promotion of the employee. The order of changing the position is connected with the attestation of a municipal employee and his/her inclusion to the reserve of municipal position,

and the change in salary strictly depends on the change in position of municipal employees.

II. Considering the bonus plan we can say that it is unified for the whole local administration staff, and is regulated by the law and aimed at the stimulation of the employees.

III. Bonus payments for municipal employees consist of: a monthly bonus, a bonus for any period (quarter, half-year period, 9 months, year); a lump-sum bonus.

Bonuses are given from the budget of Samara urban district. For the group of high-ranking positions the bonus is 40%, for the group of leading positions - 50%, for the group of minor positions - 80% of bonus fund.

Thus we can make a conclusion that all the existing rates of bonuses are general, not specified and need to be improved.

IV. Additional tangible payments exist in Personnel Management Department.

Additional tangible payments can be given in accordance with the request of an employee on the basis of permission of the Head of district administration at the rate of two salaries per year.

For the calculation of the amount of tangible payment the current salary rate is used.

We have to notify that the current system of payments is targeted for every category of employees equally but this system is very restricted because of the assignment of quotas for its realization.

V. The following types of salary revision are the main ones: the estimation of activity in accordance with the scale of accordance; the level of inflation; work experience, the level of salaries in the labour market.

* Nadezhda N. Istomina, post-graduate student of Samara Municipal institute of management. E-mail: mirabellaforesight@ya.ru.

After the analysis of the current system of payments for municipal employees on the example of Personnel Management Department and Personnel policy of Samara urban district administration we can make a conclusion that for maintaining effective labor potential of municipal employees and for improving the performance it is necessary to overview the regulations and the legal acts concerning performance-related benefit payments: low salaries compared to the salaries in commercial sector, performance-related pay.

Concerning the Municipal Services in Russian Federation: Federal law from 2.03.2007 № 25: [accepted by state Duma of February, 7 - 2007 .: approved by the Federation Council of February,21 - 2007r.]. - (Actual law) // Russian newspaper. 2007. March, 7.

Concerning financial allowance of persons in positions of municipal services in Samara urban district: solution of 28.02.2008 № 531: [accepted by Samara State Duma on June, 27 - 2002r.]. // Volzhskaya Kommuna. 2008. 29 February.

Concerning the Municipal Services in Russian Federation: Federal law from 2.03.2007 № 25: [accepted by state Duma of February, 7 - 2007: approved by federation council of February,21 - 2007r.]. - (Actual law) // Russian newspaper. 2007. March, 7.

Concerning the improvement of General statement of attestation of municipal employees in Samara district of 09.10.2007 № 97: [accepted by the Samara regional Duma September 25 - 2007r.]. - (Actual law) // Volzhskaya Kommuna. 2007. October, 13.

Concerning the statement of bonus system of administration employees of Samara district: Order of the Head of Samara urban district of 26.06.2007 № 219-p // Volzhskaya kommuna. 2007. June, 28.

Received for publication on 03.07.2009