



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

**Department of Administration**

DIVISION OF PERSONNEL AND LABOR RELATIONS

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# Memorandum

To: Nicki Neal  
Director

Thru: Keith Murry   
Class Studies Supervisor

From: Brandon Cullum   
Human Resource Specialist II

Date: October 1, 2012

Subject: Retirement and Benefits Study – Finance Officer

**Preamble:**

Classification reviewed the Division of Retirement and Benefits' Retirement and Benefits Manager job class as part of the larger Retirement and Benefits Study. Coinciding with this review, an initiative to increase the financial skill set for the Retirements and Benefits Manager over the Division's finance section was launched. This memo outlines the results of Classification's position management review subsequent to the initiative.

**Study Scope:**

This study evaluates the single position (PCN 028048) that serves as Chief Financial Officer (CFO) in the Division of Retirement and Benefits (R&B). This position has until now been allocated to the Retirement and Benefits Manager job class.

**Study Contacts:**

Primary contacts in the Division of Retirement and Benefits were Jim Puckett, Director, and Kathy Lea, Deputy Director. Additional information was provided by Mike Barnhill, Deputy Commissioner of Administration; Teresa Kesey, former CFO for R&B; and Theresa Maiquis, Accountant V and acting CFO for R&B.

### History of Job Classes:

The Retirement and Benefits Manager job class was established in 1975 as Deputy Director, Retirement and Benefits (SR23). Until 1994, the only changes the class experienced were minimum qualification modifications intended to ease recruitment difficulties.

In 1994 the class was substantially changed to reflect the increasing importance of daily-operations oversight and the decreasing role of policy and strategic development. The class was re-titled Retirement and Benefits Manager, moved to the classified service, and kept at SR23.

### Class Analysis:

The State's classification plan provides for the grouping of positions into job classes when they are sufficiently similar with respect to duties and responsibilities, degree of supervision exercised and received, and entrance requirements so that: 1) the same title can be used to clearly identify each position; 2) the same minimum qualifications for initial appointment can be established for all positions; 3) the same rate of basic pay can be fairly applied to all positions; and 4) employees in a particular class are considered an appropriate group for purposes of lay off and recall. Job classes should be constructed as broadly as feasible as long as the tests of similarity are met.

As defined by the legacy specification, incumbents of the Retirement and Benefits Manager job class manage a retirement and benefits operational function related to counseling and technical services, and they represent the division in matters affecting employee benefit proposals, existing and proposed legislation, program administration, contracts and collective bargaining negotiations, and financial management. Incumbents may also function as the division director in the Director's absence.

~~PCN 028048, by contrast, directs the daily administration and financial management of the Finance Section's accounting, employer payroll processing, and retiree payroll units; coordinates the annual audits of all funds; analyzes existing and proposed legislation; and represents the division at the Alaska Retirement Management Board meetings. In addition, this position is responsible for Division compliance with Internal Revenue Service code, state and federal laws, and all professional accounting and financial reporting standards.~~

This position has always been tasked with a heavier load of financial responsibility than one might associate with a non-accounting or finance managerial class like Retirement and Benefits Manager. What precipitated the position's allocation to this class was management's emphasis that the incumbent bring substantial knowledge of the Division's member service operations to facilitate seamless integration between the Finance and Member Services units – the Division's two operations-oriented units.

A recent shift in focus now minimizes the need to bring substantial knowledge of Division-wide operations to the Chief Financial Officer (CFO) position. The new priority is to recruit a candidate with expert financial and accounting knowledge to facilitate a level of accounting control and acuity that substantially reduce financial risk to the State's retirement obligations.

Class Title:

A class title should be the best descriptive title for the work. An appropriate class title will convey concisely and accurately the kind and level of work performed, should be brief, easily recognized, gender neutral, and understood by potential applicants.

For decades the working title for PCN 028048 has been Chief Financial Officer, Division of Retirement and Benefits. This title accurately captures this position's placement at the top of an accountant's career ladder, and reasonably reflects the high-degree of independence with which the incumbent will approach the Division's accounting responsibilities, and is easily recognized by potential applicants as a high-level accounting position within the State.

The position is titled Chief Financial Officer, Division of Retirement and Benefits.

Minimum Qualifications:

The minimum qualifications established for a job class must relate to the knowledge, skills, and abilities needed to perform the work and must not create an artificial barrier to employment of individuals in protected classes. Required training should be limited to the basic formal training that customarily prepares individuals for work in the field. Experience requirements are intended to ensure new employees can successfully perform the work after a period of orientation or familiarization. Required experience should be directly related to the actual duties of positions in the class and should not be equivalent to the work performed.

Through interviews with current and previous incumbents of the CFO position, the Division's Director and Deputy Director, and the Commissioner and Deputy Commissioner at the Department of Administration, it was established that this job class's primary accounting responsibilities closely match the State Accountant's. This close association supports a clear relationship between the two class's minimum qualifications. Subsequently, the following minimum qualifications were developed to ensure candidates have the expert financial and accounting knowledge required.

Minimum Qualifications
Current registration as a Certified Public Accountant; AND Four years of professional accounting experience, two of which included direct responsibility over an accounting system with multiple funds and associated reporting requirements, and at least two years of full supervisory authority over an accounting staff that included professional accountants. The system responsibility and staff supervision requirements may be met concurrently.

Class Outline:

A Class Code is assigned based on the placement of the job class in the classification schematic of Occupational Groups and Job Families. Occupational Groups are made up of related Job Families and encompass relatively broad occupations, professions, or activities. Job Families are groups of job classes and class series that are related as to the nature of the work performed and typically have similar initial preparation for employment and career progression.

In line with this job class's association with accounting, the job class is established in the Accounting and Fiscal (PB02) job family.

Job Class	Class Code	AKPAY Code
Chief Financial Officer, Division of Retirement and Benefits	PB0255	K0123

Fair Labor Standards Act

The positions in this study are covered by the minimum wage and maximum hour provisions of the Fair Labor Standards Act of 1938, as Amended (FLSA). While exemption from the provisions of the Act are based on the specific circumstances of an individual employee on a work-week basis, there are general aspects of the classes and their influence on the exemptions for employees in bona fide executive, professional, or administrative positions that can be addressed in general.

- The incumbent of the Chief Financial Officer, Division of Retirement and Benefits job class is overtime exempt under the terms of the Administrative, Professional and Executive Exemptions as set forth in the Act.

Administrative Exemption

- Incumbents are paid in excess of the minimum wage requirement
- Incumbents provide professional-level employee relations support on behalf of the Division and as such perform non-manual work directly related to the management or general business operations of the employer or the employer's customers
- Incumbents exercise discretion and independent judgment with respect to matters of significance when they establish division-wide accounting procedures, complete the

Division's financial reporting, interpret and clarify statute and ambiguous policy, develop service models, represent the department to outside boards and vendors, and supervise the Division's finance staff

#### Executive Exemption

- Incumbents are paid in excess of the minimum wage requirement
- As an office in charge of the Division's financial operations and staff, the incumbents' primary duty is the management of the enterprise in which the employee is employed or of a customarily recognized department or subdivision thereof
- The incumbent has the authority to hire or fire other employees or make suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees that are given particular weight

#### Subpart D – Professional Employees

An employee:

- compensated on a salary basis at a rate not less than \$455 per week exclusive of board, lodging or other facilities; and
- whose primary duty is the performance of work requiring advanced professional knowledge of the accounting profession as indicated by certification as a Certified Public Accountant

#### **Salary Analysis:**

The salary range of a job class is determined based on internal consistency within the State's pay plans, in accordance with merit principles, with the goal of providing fair and reasonable compensation for services rendered and maintaining the principle of like pay for like work. In evaluating internal consistency the difficulty, responsibility, knowledge, skills, and other characteristics of a job are compared with job classes of a similar nature, kind, and level in the same occupational group and job family or related job families. To this end, this salary alignment compares the subject class to the two most relevant comparable classes within the PB02 job family, using the framework provided by the eight classification factors:

- Nature, variety, and complexity
- Nature of supervision received
- Nature of available guidelines
- Initiative and originality
- Purpose and nature of person-to-person work relationships
- Nature of scope of recommendations, decisions, commitments, and consequence of error
- Nature and extent of supervision exercised over the work of other employees
- Qualifications required

The following table illustrates each comparable class's defining characteristics and the general characteristics of each range within the family.

Range	Job Class	Description	Range Characteristics
22	Accountant V	Highest level of the Accountant series; associated with program administration and accounting staff supervision	Application of expert professional and broad managerial skill in a single functional area to support the function of a defined service mandate.
24	State Accountant	Oversees all statewide accounting and payroll policies and procedures and manages the State's central accounting functions.	Professional expert and manager of a statewide service.

The CFO, DRB is the principle manager of operations and financial reporting for the Division's finance section. The incumbent of this class is an expert in the field of accounting and is fully proficient in the principles of management, supervision, and general business operations.

When compared to the Accountant V job class, the CFO's higher level of proficiency and broader scope of management responsibility are apparent. While the Accountant V may establish accounting processes for a program, the CFO will do so for a combination of programs and will most likely rely on the process-related recommendations from subordinate Accountants V, in addition to its own expertise, and outside contractor analysis, to develop this broader operating procedure.

The level of responsibility that distinguishes the CFO from Accountant V is also what makes it most like the State Accountant -- both classes supervise expert level accountants and manage a complex and often variable service mandate to deliver a broad array of accounting services to the State. This similarity and the lack of any greater similarity results in the CFO's alignment to salary range 24.

### **Conclusions:**

#### Class Structure and Salary Alignment

- Established: Chief Financial Officer, Division of Retirement and Benefits
- Salary Range: SR24

#### General Interpretation of an Incumbent's FLSA Eligibility

- Overtime ineligible

Nicki Neal  
October 1, 2012  
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The preceding job class establishment and subsequent position allocations are effective October 1, 2012.

Attachment:  
Final class specifications

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Department of Administration

Cheri Lowenstein, Director  
Division of Administrative Services  
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