

# Compensation

## Attracting and Retaining Quality County Employees

The County's compensation policy is as follows:

Prince William County (PWC) will have a combination of salaries, benefits, employee development, and workplace environment that will attract and retain the most qualified employees to implement the County's vision. To accomplish this, the County recognizes the importance of maintaining salaries that are competitive with other Northern Virginia jurisdictions. Success in implementing this strategy will be measured by the ability to attract quality applicants, retain quality employees, and maintain employee satisfaction.

To implement this compensation policy, PWC will make every effort, within the County's position classification structures, to maintain salaries comparable to salaries of similar positions in Fairfax, Loudoun, and Arlington counties, and the City of Alexandria. The County will annually benchmark position classifications at the midpoint and adjust when necessary to maintain market competitiveness.

## General Overview

- A. **Budgeted Salary Lapse** – This account reduces agency expenditure authority to account for agency vacancy savings during the fiscal year. Salary lapse is a negative budget line item representing savings to taxpayers which is netted against an agency's Salaries and Benefits budget. The total required agency savings in budgeted salary lapse is \$22.3 million in FY26.
- B. **Position Reclassifications and Salary Structure Updates** – The County implemented a new classification and compensation structure during FY21 to more accurately reflect the work performed by employees while allowing the flexibility needed to effectively attract, manage, and retain employees.

Organizational changes require establishing new classifications, as shown below, effective July 1, 2025. The salary structure will change based on changes related to budget initiatives as outlined below.

New Classifications in FY2026 Budget			
Department	Title	Grade (DBM)	Code
Countywide	Lead Business Services Administrator	C52	R318
Fire & Rescue	Pharmacist	C52	X226
Fire & Rescue	Pharmacy Technician	B22	X212

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## Budget Initiatives

### A. Budget Initiatives

#### 1. Step/Merit Adjustment

Expenditure	\$12,135,479
Revenue	\$0
General Fund Impact	\$12,135,479
FTE Positions	0.00

- a. **Step/Merit Adjustment** – Funding is included to support a 3.0% merit increase for General Service personnel and a step increase for sworn personnel in FY26. Annual year of service/merit adjustments of 3.0% are included in each remaining year of the Five-Year Plan (FY27-30). Individuals receive this increase on their annual employment anniversary date (also referred to as the 'adjustment date'). The total general fund cost of step/merit adjustments is \$182,032,188 in FY26-30.

For General Service personnel, the basic pay increase is calculated on the employee's current salary/pay as a percentage increase until the employee reaches the maximum salary/pay for that position. The County classification system establishes the pay scale (minimum/maximum) for each position classification and those scales are not extended beyond the maximum due to merit adjustments. Individuals receive their pay adjustment on their adjustment date. Most General Service personnel have an adjustment date of November 1 each fiscal year.

For sworn personnel, their year of service is credited annually on their individual adjustment date. Each step is equal to a 3% increase in pay until the individual has achieved the maximum salary in the pay scale for their job classification.

- b. **Future Compensation Rollover** – Each year compensation actions are rolled over into the next budget year. This includes positions which were initially funded for a partial year and require a full year budget in the next fiscal year. Pay rollovers are necessary because not all employees receive pay increases at the beginning of the fiscal year. Therefore, a pay increase given halfway through a fiscal year needs to be funded for the entire next fiscal year. This rollover captures the full cost of providing step/merit increases to employees. When no pay increase is authorized, little if any compensation rollover funds are added to the budget in the next budget year. The total general fund cost of compensation rollover is \$34,672,798 in FY26-30.

#### 2. Adult Detention Center and Sheriff Market Adjustments

Expenditure	\$2,766,973
Revenue	\$0
General Fund Impact	\$2,766,973
FTE Positions	0.00

- a. **Market Adjustment** – Funding is included to support market adjustment increases for uniformed and sworn personnel in the Adult Detention Center and Sheriff in FY26. These recommended adjustments are the result of two independent studies that examined County pay with other jurisdictions. In order to evaluate compensation competitiveness, the County's compensation package and pay structures were benchmarked against a comparison group of regional Northern Virginia employers, as well as three large Maryland counties in the Washington-Baltimore-Arlington Combined Statistical Area.

Market adjustments help to maintain competitiveness between PWC and other Northern Virginia jurisdictions. Individuals within the pay scale will receive an increased salary based on the percentages identified for their group up to the maximum of the pay scale.

- **Adult Detention Center Uniformed Personnel** – Funding is provided to support a 5.72% to 9.34% pay scale depending on rank. The cumulative market adjustments for these positions since FY23 has been 21.97% to 25.59%.
- **Sheriff Sworn Personnel** – Funding is provided to support a 1.25% pay scale for all ranks. In addition, the captain rank pay scale differential increases from 14% to 16%. A pay scale differential refers to the difference in compensation between pay scales due to rank. The cumulative market adjustments for these positions since FY23 has been 21.97%.

Market adjustments for employees will occur on July 1, 2025. The total general fund cost of market adjustments is \$13,834,876 in FY26-30.

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## 3. Health Insurance, Dental Insurance and Retiree Health Adjustment

Expenditure	\$3,467,536
Revenue	\$0
General Fund Impact	\$3,467,536
FTE Positions	0.00

a. **Health and Dental Insurance** – This initiative funds County employer contributions for health and dental insurance increases required to maintain the stability of the County’s self-insurance fund. The expenditure increase supports the County’s employer insurance contributions. The health insurance amount is due to either a 7.6% or 3.7% increase (depending on the employee choice of health care provider). The increase for dental insurance in FY26 is 5.4%.

The Five-Year Plan contains annual increases to insurance rates in FY27-30. The total general fund cost for the County’s employer contribution for health and dental insurance is \$74,359,409 in FY26-30.

b. **Retiree Health Credit** – County employees are not provided health insurance coverage upon retirement. The County Retiree Health Credit program is available to employees upon separation and retirement from County service. Retiree with a minimum of 15 years of County service receive \$6.50 per month for each year of service, up to a maximum of \$195 per month for 30 years of County service. When the \$45 maximum per month currently offered as part of the State VRS is added, the maximum for 30 years of County service increases to \$240 per month.

The Retiree Health Credit Program is separate from and in addition to the existing VRS Health Credit program, which is also completely funded by County contributions. A 1% cost increase of \$28,540 in the retiree health credit budget is projected to cover growth in this benefit due to additional retirees. The additional total general fund cost associated with the Retiree Health increase is \$433,855 in FY26-30.

## 4. Collective Bargaining

Expenditure	\$1,799,151
Revenue	\$0
General Fund Impact	\$1,799,151
FTE Positions	0.00

a. **Overview** – On January 16, 2024, the PWC Board of County Supervisors (BOCS) ratified the Collective Bargaining Agreement (CBA) between PWC and the International Association of Fire Fighters (IAFF) and PWC Police Association via [BOCS Resolution 24-050](#).

▪ **Fire & Rescue** – The CBA includes compensation provisions for specialty incentive pay, 1.25% market adjustments in FY25 and FY26, and training and education support. The FY26 funding necessary to support the ratified CBA with the IAFF is \$1,142,482. The total cost associated with the FY26 CBA provisions for Fire & Rescue is \$5,712,410 in FY26-30 which includes additional staffing necessary (30.0 FTEs in FY26) to reduce the average workweek from 56-hours to 50-hours by July 1, 2026 (FY27).

▪ **Police** – The CBA includes compensation provisions for on call pay, \$1,000 lump sum payments in FY25 and FY26, compensation study, increase in the shift differential and supplemental pay for crime scene technicians. The FY26 funding necessary to support the ratified CBA with the PWC Police Association is \$656,669.

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Summary of Compensation Adjustments in FY2026-2030 Five-Year Plan (Amounts are Cumulative)						
	FY26	FY27	FY28	FY29	FY30	Total
<b>Market Pay Adjustment:</b>						
Market Pay Adjustment - Adult Detention Center (5.72% to 9.34% Increase in FY26) - Uniform	\$ 2.6 M	\$ 2.6 M	\$ 2.6 M	\$ 2.6 M	\$ 2.6 M	\$ 13.1 M
Market Pay Adjustment - Sheriff (1.25% Increase in FY26 ) - Sworn	0.2 M	0.2 M	0.2 M	0.2 M	0.2 M	0.8 M
<b>Subtotal (Market Pay Adjustment)</b>	<b>\$ 2.8 M</b>	<b>\$ 2.8 M</b>	<b>\$ 2.8 M</b>	<b>\$ 2.8 M</b>	<b>\$ 2.8 M</b>	<b>\$ 13.8 M</b>
<b>Step/Merit:</b>						
Step/Merit Adjustment (3% Increase in FY26; 3% Annual Increase in FY27-30)	\$ 12.1 M	\$ 24.3 M	\$ 36.4 M	\$ 48.5 M	\$ 60.7 M	\$ 182.0 M
Compensation Rollover	0.0 M	3.5 M	6.9 M	10.4 M	13.9 M	34.7 M
<b>Subtotal (Step/Merit)</b>	<b>\$ 12.1 M</b>	<b>\$ 27.7 M</b>	<b>\$ 43.3 M</b>	<b>\$ 58.9 M</b>	<b>\$ 74.5 M</b>	<b>\$ 216.7 M</b>
<b>Collective Bargaining Agreement:</b>						
Fire & Rescue (1.25% Market Adjustment)	\$ 1.1 M	\$ 1.1 M	\$ 1.1 M	\$ 1.1 M	\$ 1.1 M	\$ 5.7 M
Police (FY26 \$1,000 one-time bonus)	0.7 M	0.0 M	0.0 M	0.0 M	0.0 M	0.7 M
<b>Subtotal (Collective Bargaining)</b>	<b>\$ 1.8 M</b>	<b>\$ 1.1 M</b>	<b>\$ 1.1 M</b>	<b>\$ 1.1 M</b>	<b>\$ 1.1 M</b>	<b>\$ 6.4 M</b>
<b>Health Insurance, Dental Insurance &amp; Retiree Health</b>						
Health Insurance (7.6% or 3.7% increase in FY26; 10% annual increases in FY27-30)	\$ 3.4 M	\$ 8.4 M	\$ 13.9 M	\$ 20.0 M	\$ 26.7 M	\$ 72.3 M
Dental Insurance (5.4% increase in FY26; 10% annual increases in FY27-30)	0.1 M	0.2 M	0.4 M	0.6 M	0.8 M	2.1 M
Retiree Health Credit (5% Annual Increase / benefit increase for future retirees)	0.0 M	0.1 M	0.1 M	0.1 M	0.1 M	0.4 M
<b>Subtotal (Health, Dental &amp; Retiree Health)</b>	<b>\$ 3.5 M</b>	<b>\$ 8.7 M</b>	<b>\$ 14.4 M</b>	<b>\$ 20.7 M</b>	<b>\$ 27.6 M</b>	<b>\$ 74.4 M</b>
<b>Grand Total</b>	<b>\$ 20.2 M</b>	<b>\$ 40.3 M</b>	<b>\$ 61.6 M</b>	<b>\$ 83.5 M</b>	<b>\$ 106.0 M</b>	<b>\$ 311.3 M</b>

Totals may not add due to rounding.