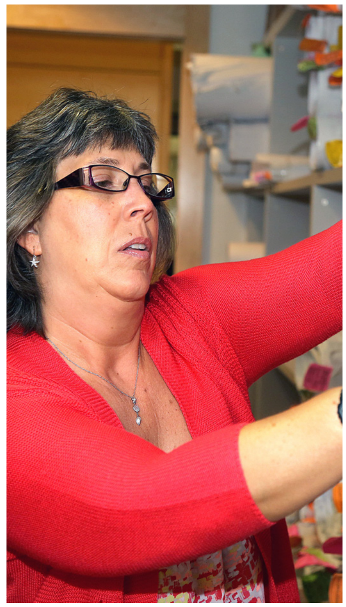
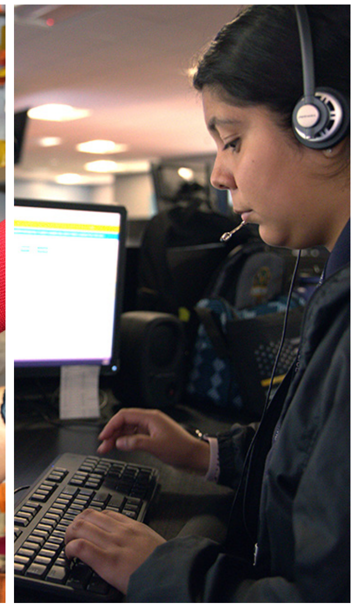
Compensation

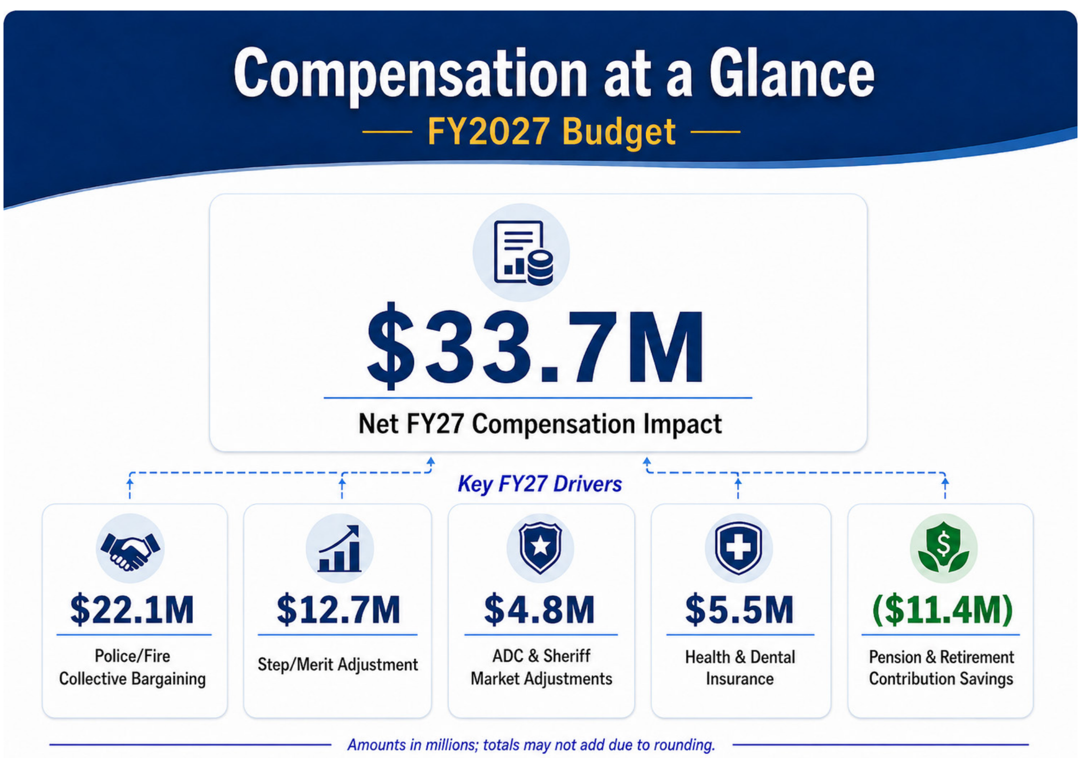
Attracting and Retaining Quality County Employees

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 reflects anticipated savings from employee vacancies that are expected within a fiscal year. These savings represent a planned reduction in costs and contribute directly to taxpayer savings. Generally, not all positions within an agency are filled for the entire year due to normal employee turnover resulting in actual salary and benefits expenditures lower than the budgeted amount. Budgeted salary lapse is shown as a negative line item, reducing an agency's overall expenditure authority, effectively netting vacancy savings against the salaries and benefits budget. The total required agency savings in budgeted salary lapse is $17.8 million in FY27.

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, abolishing classifications, and changing existing classifications, as shown below, effective July 1, 2026. The salary structure will change based on changes related to budget initiatives as outlined below.

Establish Classifications in FY2027 Budget

Department	Title	Grade (DBM)	Code
Regional Adult Detention Center	Jail Lieutenant Colonel	AD08	6056
Regional Adult Detention Center	Jail Superintendent	E91	S331

Abolish Classifications in FY2027 Budget

Department	Title	Grade (DBM)	Code

C. Pay Plan Updates – In conjunction with FY27 budget adoption, the County will update pay plans to incorporate adjustments to pay scales across general services and public safety classifications. Consistent with the County's compensation policy, these adjustments are intended to maintain market competitiveness, support employee recruitment and retention, and ensure compensation structures remain aligned with regional labor market conditions.

Three specific DBM classifications in the General Service pay plans will be adjusted based on minimum wage changes in the Code of Virginia (the minimum wage is increasing from $12.77 per hour to $13.75 per hour effective January 1, 2027). The Fire & Rescue and Police pay plans will be adjusted based on individual collective bargaining agreements.

General Services Salary Structure Updates (effective 1/1/2027)

DBM	Minimum	Midpoint	Maximum
A01	$13.75	$17.06	$20.37
A02	$14.72	$18.76	$22.80
A03	$15.69	$20.56	$25.42

Budget Initiatives

A. Budget Initiatives

1. Collective Bargaining

Expenditure	$22,068,407
Revenue	$0
General Fund Impact	$22,068,407
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. Each agreement of the approved CBA provides for the CBA to automatically reopen on July 1, 2026, for the limited purpose of engaging in good-faith collective bargaining negotiations over market adjustments, merit increases, and other forms of monetary compensation.

After negotiations, the County reached agreement with both bargaining groups and the BOCS ratified the amended agreements as follows:

- **Fire & Rescue** – On October 7, 2025, the PWC BOCS ratified the amended CBA between PWC and the IAFF via BOCS Resolution 25-522. The funding supports Fire & Rescue pay scale modifications, in addition to changes to both on-call and specialty pay. The FY27 funding necessary to support the ratified CBA with the IAFF is $3,028,407.
- **Police** – On February 3, 2026, the PWC BOCS ratified the amended CBA between PWC and the PWCPA via BOCS Resolution 26-057. The amended articles increase FY27 starting Police Officer salaries from $62,000 to $74,000 while maintaining current rank differential percentages between steps and grades throughout the pay scale. The FY27 funding necessary to support the ratified CBA with the PWC Police Association is $19,040,000.

2. Step/Merit Adjustment

Expenditure	$12,744,389
Revenue	$0
General Fund Impact	$12,744,389
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 and uniform personnel in FY27. Annual step/merit adjustments of 3.0% are included in each remaining year of the Five-Year Plan (FY28-31). Individuals receive this increase on their annual employment anniversary date (also referred to as the 'adjustment date').

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 step is credited annually on their individual adjustment date. Each step is generally 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.

3. Health and Dental Insurance Adjustments

Expenditure	$5,496,127
Revenue	$0
General Fund Impact	$5,496,127
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 increase either 10.5% or 8.5% depending on the employee choice of health care provider. The increase for dental insurance in FY27 is 7.5%. The Five-Year Plan contains 7.5% annual increases to health and 10% annual increase for dental insurance rates in FY28-31.

4. Adult Detention Center and Sheriff Uniform and Sworn Market Adjustments

Expenditure	$4,807,500
Revenue	$0
General Fund Impact	$4,807,500
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's Office. These recommended adjustments are the result of two independent studies that compare County pay with other jurisdictions. 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 applicable pay scale. The market adjustments are planned to be effective on July 1, 2026.

- **Adult Detention Center Uniformed Personnel** – Funding is provided to support an 8.20% pay scale adjustment or increase depending on rank. The cumulative market adjustments for these positions since FY23 have been 30.17% to 33.79%.
- **Sheriff Sworn Personnel** – Funding is provided to support an 8.20% pay scale adjustment or increase for all ranks. The cumulative market adjustments for these positions since FY23 have been 30.17%.

5. Employer Contribution Savings to Pension and Retirement Benefits

Expenditure	($11,448,775)
Revenue	$0
General Fund Impact	($11,448,775)
FTE Positions	0.00

a. **Virginia Retirement System (VRS)** – The certified VRS employer contribution rate for PWC will be 12.53% of employee salaries and become effective July 1, 2026. VRS rates are evaluated and certified by the VRS Board of Trustees every two years coinciding with the State's biennium budget. This represents a 3.36% (336 basis point) reduction to the current rate of 15.89% at a savings of $11,039,564 per year. This employer rate reduction represents the most significant downward adjustment ever received by the County.

b. **Group Life Insurance** – This program provides life insurance coverage to eligible employees, which provides a death benefit payable to beneficiaries if the member dies. VRS provides rate adjustments every two years and has determined a new rate of 1.06% for this benefit which is a 0.12% (12 basis point) reduction of the rate. The total general fund savings due to the reduced rate is $487,548 per year.

c. **Retiree Health Credit** – County employees are not provided health insurance coverage upon retirement. The County Retiree Health Credit program (separate from and in addition to the existing VRS Health Credit program) is available to employees upon separation and retirement from County service. Retirees 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 Virginia Retirement System (VRS) is added, the maximum for 30 years of County service increases to $240 per month. A 1% cost increase of $78,337 in the retiree health credit budget is projected to cover growth in this benefit due to additional retirees.

Summary of Compensation Adjustments in FY2027-2031 Five-Year Plan (Amounts are Cumulative)	FY27	FY28	FY29	FY30	FY31	Total
Market Pay Adjustment:						
Market Pay Adjustment - Adult Detention Center (8.2% increase in FY27) - Uniform	$ 3.5 M	$ 3.5 M	$ 3.5 M	$ 3.5 M	$ 3.5 M	**17.4 M**
Market Pay Adjustment - Sheriff (8.2% increase in FY27) - Sworn	1.3 M	1.3 M	1.3 M	1.3 M	1.3 M	**6.7 M**
Subtotal (Market Pay Adjustment)	**$ 4.8 M**	**$ 4.8 M**	**$ 4.8 M**	**$ 4.8 M**	**$ 4.8 M**	**$ 24.0 M**
Step/Merit:						
Step/Merit Adjustment (3% increase in FY27; 3% annual increase in FY28-31)	$ 12.7 M	$ 25.5 M	$ 38.2 M	$ 51.0 M	$ 63.7 M	**$ 191.2 M**
Compensation Rollover	0.0 M	5.1 M	10.1 M	15.2 M	20.2 M	**50.6 M**
Subtotal (Step/Merit)	**$ 12.7 M**	**$ 30.5 M**	**$ 48.3 M**	**$ 66.1 M**	**$ 84.0 M**	**$ 241.7 M**
Collective Bargaining:						
Police (Ratified by BOCS on Feb 3, 2026 via Res. No. 26-057)	$ 19.0 M	$ 23.1 M	$ 23.1 M	$ 23.1 M	$ 23.1 M	**$ 111.5 M**
Fire & Rescue (Ratified by BOCS on Oct 7, 2025 via Res. No. 25-522)	3.0 M	5.8 M	5.8 M	5.8 M	5.8 M	**26.4 M**
Subtotal (Collective Bargaining)	**$ 22.1 M**	**$ 28.9 M**	**$ 28.9 M**	**$ 28.9 M**	**$ 28.9 M**	**$ 137.8 M**
Pension and Retirement Benefits:						
Virginia Retirement System (VRS) (3.36% rate decrease to 12.53% Rate in FY27-31)	($ 11.0) M	($ 11.0) M	($ 11.0) M	($ 11.0) M	($ 11.0) M	**($ 55.2) M**
Retiree Health Credit (1% increase in FY27; 5% annual increases in FY28-31)	0.1 M	0.2 M	0.2 M	0.2 M	0.2 M	**0.8 M**
Group Life Insurance (0.12% decrease to a rate of 1.06% in FY27-31)	($ 0.5) M	($ 0.5) M	($ 0.5) M	($ 0.5) M	($ 0.5) M	**($ 2.4) M**
Subtotal (Pension and Retirement)	**($ 11.4) M**	**($ 11.4) M**	**($ 11.4) M**	**($ 11.4) M**	**($ 11.3) M**	**($ 56.9) M**
Health and Dental Insurance:						
Health Insurance (10.5% or 8.5% increase in FY27; 7.5% annual increases in FY28-31)	$ 5.4 M	$ 9.7 M	$ 14.4 M	$ 19.4 M	$ 24.8 M	**$ 73.8 M**
Dental Insurance (7.5% increase in FY27; 10% annual increases in FY28-31)	0.1 M	0.3 M	0.4 M	0.6 M	0.8 M	**2.3 M**
Subtotal (Health and Dental Insurance)	**$ 5.5 M**	**$ 10.0 M**	**$ 14.8 M**	**$ 20.0 M**	**$ 25.6 M**	**$ 76.0 M**
Grand Total	**$ 33.7 M**	**$ 62.9 M**	**$ 85.6 M**	**$ 108.6 M**	**$ 132.0 M**	**$ 422.7 M**

Totals may not add due to rounding.