



POLICY MANUAL

COMPENSATION

Number 384

Subject: Wage and Salary Administration

Covered Employees: Budgeted Employees as Designated

Date of Origin: January 24, 1997

384.1 POLICY

The Utah State University employee compensation program works toward a competitive level of compensation and internal equity for all employees. The compensation program recognizes the role of programming priorities, tempered with the economic realities of compensation. The compensation program will be implemented in compliance with all legal and regulatory objectives.

384.2 PROCEDURES

2.1 Wage and Salary Adjustments

Wage and salary adjustments will be made using one of the following programs:

(1) Merit adjustment (includes faculty).

An employee may receive a merit adjustment based on job performance. Merit adjustment guidelines approved by the University's administration will be distributed each year prior to the preparation of annual department operating budgets. The guidelines apply to all University faculty and staff, regardless of the source of funds from which employees are paid. Merit adjustments are effective July 1 or at another date set by the department and approved by the appropriate dean or vice president. A request for an adjustment date other than July 1 must be communicated to the Provost for final approval.

(2) Equity adjustment (includes faculty).

An employee may receive an adjustment when there is a significant difference between

the employee's current salary and a higher targeted or projected salary established by formal studies. Equity adjustments will generally be given on July 1 or another date as directed by the administration. The administration will provide guidance annually as to what constitutes an equity adjustment. Funds for these adjustments come primarily from departmental resources and may also come from centrally held funds targeted for this purpose.

(3) Promotional adjustment (includes faculty).

A faculty or staff employee may receive a promotional adjustment based on a transfer or assignment to a higher salary range for staff, an advancement in faculty rank for faculty, or assuming an administrative assignment for faculty. The adjustment is normally effective on the date of the promotion. When a shortage of funds prevents the award of a promotional adjustment, special consideration should be given to the promoted employee when merit adjustments are awarded.

The amount of the promotional adjustment will be based on.

- (a) The promoted employee's current rate in relation to the new salary range,
- (b) the individual's qualifications to perform the new job,
- (c) the rate of pay and performance level of other employees occupying the same job classification, and
- (d) the established amount for rank advancement (for faculty).

The promoted employee's new salary should be at least at the minimum of the new salary range.

(4) Skill-based pay adjustment (excludes faculty).

An employee who works in a department that has a skill-based pay program will receive adjustments when the employee achieves a skill level previously agreed upon by the supervisor and the employee. Skill-based program adjustments are predetermined between the supervisor and the employee.

(5) Job reclassification adjustment (excludes faculty).

When an employee's position is reclassified to an equal or lower salary range, no salary adjustment will be made. If the reclassification results in a higher salary range, the employee may receive a salary adjustment. The new salary should be at least at the minimum of the new salary range. If funds are not available to pay at least the minimum salary in the range or to pay an adjustment, salary adjustments may be postponed until annual merit adjustments are given or until sufficient funds become available.

(6) Red-circle rate (excludes faculty).

Adjustments that would result in above-maximum, or red-circle rates, will not be allowed except in unusually meritorious cases. Unless approved, an employee at a red-circle rate is not eligible for any wage or salary adjustments until normal structure adjustments or job reevaluations result in his/her rates being below the salary range maximum.

(7) Demotion adjustment (excludes faculty).

An employee may be given a base salary decrease if he/she is demoted. If the employee's rate is above the maximum rate of the lower job, the decrease should be at least equal to the salary range maximum of the lower classification. Further decreases should be based on an assessment of the demoted employee's qualifications compared to the pay and performance of other employees in the same job classification.

Demotion adjustments are generally limited to reductions-in-force or demotions for cause. Department heads or supervisors must advise the Office of Human Resources of plans to demote an employee regardless of whether or not a wage or salary decrease is intended.

2.2 Salary Program Information (excludes faculty)

Wage and salary ranges are established to provide competitive compensation to University employees. The Office of Human Resources is responsible for conducting periodic wage and salary surveys. Salary range adjustments will be based on the objective analysis of the survey data as well as an evaluation of the availability of qualified personnel in the relevant labor market and the University's budget.

Salary ranges will be assigned to every position using the University's job evaluation program which assesses the relative level of each job based on complexity, impact, level of discretion, and working conditions.

2.3 Starting Salaries (excludes faculty)

New employees are to be hired at a salary between the minimum and first quartile of the appropriate salary range. Departments can set salaries between the minimum and first quartile without prior approval. Starting salaries may be set above the first quartile, up to, but typically not to exceed, the salary range midpoint. Departments must obtain prior approval from the Office of Human Resources for starting salaries above the first quartile of the salary range. Criteria for higher starting salaries may include prior experience above minimum qualifications, exceptional skills, and extreme market conditions.

2.4 Approvals (includes faculty)

The necessary approvals from department heads/directors and the Office of Human Resources must be obtained before notification or communication of a base salary

decision to an employee. All exceptions to annual base salary adjustments must be approved by appropriate administrative levels both within the college/unit and central administration.

In addition, skill-based pay or similar plans must be recommended by the appropriate dean, vice president, or the Provost, reviewed by the Office of Human Resources, and approved by the President.

384.3 DEFINITIONS

3.1 Salary Range

The wage or salary limits for a job. Each range is divided into quartiles and has a defined minimum and maximum rate of pay.

3.2 Reclassification

A change in the classification or evaluation of a job assignment as a result of a significant redefinition of job duties.

3.3 Demotion

A transfer or reassignment of an employee to a vacant job with a lower salary range than his/her previous job.

3.4 Promotion

A transfer or assignment of an employee to a vacant job with a higher salary range than his/her previous job.

3.5 Red-Circle Rate

A rate of pay which exceeds the maximum rate for the job classification.

384.4 RESPONSIBILITY

4.1 Department Heads and Supervisors

Responsible for assigning job duties to positions. When changes in duties are significant enough to consider reclassification, departments should contact the Office of Human Resources to initiate the process.

4.2 Office of Human Resources

Responsible for recommending the classification of each nonfaculty job by assisting with the writing and updating of job descriptions, assigning job titles and classification

numbers, performing job evaluations, and assigning salary ranges (subject to appropriate administrative review and approval). The Office of Human Resources is responsible for ongoing cooperation with departmental administrators, and for ensuring the proper classification of each position through periodic job classification audits.

The Office of Human Resources is also responsible for analyzing current labor market salaries and recommending appropriate salary ranges. New salary range information is to be given to the Classified Employees Council, the Professional Employees Council, and the Executive Committee for review.

4.3 Employees

Employees whose positions are changed without a request for reclassification are responsible for raising the matter with the appropriate department administrators. If, in the employee's opinion, a satisfactory response does not occur, the employee should follow the applicable procedures outlined in policy 325.