



University Policy 384: Wage and Salary Administration

Category: 300 Human Resources

Subcategory: Compensation

Covered Individuals: Benefited Employees

Responsible Executive: Vice President for Finance and Administrative Services

Policy Custodian: Office of Human Resources, Associate Vice President for Human Resources

Last Revised: 2022/06/23

Previous USU Policy Number: Not applicable

384.1 PURPOSE AND SCOPE

The Utah State University employee compensation program works toward a level of compensation that is externally competitive and internally equitable for all employees. The compensation program recognizes the role of programming priorities, tempered with the economic realities of compensation. The compensation program is implemented in compliance with all legal and regulatory objectives.

384.2 POLICY

2.1 New fiscal year salary adjustments

- 2.1.1 As part of the University's annual salary budget setting process, annual salary allocation guidelines will be developed and distributed by the Office of the Vice President for Finance and Administrative Services.
- 2.1.2 Following issuance of the annual salary allocation guidelines, Department Heads or Directors may recommend salary adjustments to the respective Dean or Vice President. If such adjustments exceed the percentage increase specified in the annual salary allocation guidelines, the Dean or Vice President shall consult with the Office of Human Resources prior to approving said salary adjustments. Affected employees are to be notified of salary adjustments only after approvals have occurred.
- 2.1.3 Merit and equity adjustments proposed for employees already at a red-circle rate, or that would create a red-circle rate, will only be allowed in unusually meritorious cases as approved by the respective Dean or Vice President in consultation with Human Resources.
- 2.1.4 Subject to funding, salary adjustments will be made using one of the following:
 - a. General adjustment for employees meeting expectations (includes faculty)
This type of adjustment is based on legislative appropriations and University funds.
 - b. Merit adjustment (includes faculty)
An employee may be given a merit adjustment based on job performance.
 - c. Equity adjustment (includes faculty)
An employee may be given an equity adjustment when there is a significant difference between the employee's current salary and internal and/or external salary comparisons.
 - d. Promotion and tenure (faculty only)

The process for faculty promotions and tenure is found in USU Policy 405: Tenured and Term Appointments: Evaluation, Promotion, and Retention.

2.2 Salary adjustments outside of new fiscal year adjustments

2.2.1 Subject to funding, salary adjustments outside of new fiscal year adjustments may be made using one of the following:

a. Merit adjustment (excludes faculty)

An employee may be given a merit adjustment based on job performance.

b. Equity adjustment (includes faculty)

An employee may be given an equity adjustment when there is a significant difference between the employee's current salary and internal and/or external salary comparisons.

c. Promotional adjustment (includes faculty)

An employee may receive a promotional adjustment based on an assignment to a higher salary grade for staff, an advancement in faculty rank for faculty, or accepting an administrative assignment for faculty.

The amount of the promotional adjustment should take into consideration the following:

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

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

d. Skill-based program pay adjustment (excludes faculty)

When an employee who works in a department with a skill-based pay program achieves a skill level previously agreed upon by the supervisor and the employee, the employee may receive a salary adjustment subject to the same approval process as other salary adjustments.

e. Job reclassification adjustment (excludes faculty)

When an employee's position is reclassified to an equal or lower salary grade, salary adjustments may be made based on equity in consultation with Human Resources. If a reclassification results in a higher salary grade, the employee may receive a salary adjustment, at the discretion of the Department Head/Director. The new salary should be at least the minimum of the new salary grade.

f. Demotion adjustment (excludes faculty)

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

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

grade 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.

- 2.2.2 All types of proposed salary adjustments as provided in section 2.2.1 for employees at a red-circle rate, or that would create a red-circle rate, will only be allowed in unusually meritorious cases as approved by the Dean or Vice President in consultation with Human Resources.

2.3 Salary program information (excludes faculty)

Staff salary grades and ranges are established to provide competitive compensation information to administrators who make salary decisions. The Office of Human Resources participates in periodic salary surveys. Salary grade and range assignments and adjustments will be based on the objective analysis of salary survey data, internal equity, the relevant labor market, job evaluation, and the economic reality of University funding.

2.4 Starting salaries (excludes faculty)

New staff employees are typically hired at a salary within the first quartile of the appropriate salary grade. Departments may set starting salaries up to and including the midpoint of the salary grade without prior approval. For starting salaries above the midpoint of the salary grade, departments must obtain prior approval from the Office of Human Resources. Criteria for higher starting salaries may include significant experience above minimum qualifications, exceptional skills, and extreme market conditions.

384.3 RESPONSIBILITIES

3.1 Department Heads/Directors and Supervisors

Responsible to assign 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.

3.2 Office of Human Resources

Participates in periodic salary surveys and analyzes current labor market salaries to determine appropriate salary grades. Provides consultation and advice regarding compensation administration and appropriate job classification. Determines the classification of each non-faculty job by performing job evaluations and assigning job titles and salary grades. Works with departmental administrators to ensure the proper classification of each position. Conducts periodic job classification audits.

384.4 REFERENCES

- None

384.5 RELATED USU POLICIES

- Policy 405: Tenured and Term Appointments: Evaluation, Promotion, and Retention

384.6 DEFINITIONS

6.1 Demotion

A reassignment of an employee to a job title with a lower salary grade. Demotions may be voluntary or involuntary.

6.2 Promotion

For staff employees, an assignment of an employee to a job with a higher salary grade. For faculty, an advancement in rank or accepting an administrative assignment.

6.3 Reclassification

The assignment of a new job title to an existing position, either filled or vacant. Human Resources/Compensation bases this change on an evaluation of the role, responsibilities, and minimum qualifications of the position.

6.4 Red-Circle Rate

A rate of pay which exceeds the maximum rate for the assigned salary grade.

6.5 Salary Grade

A letter assigned to a particular salary range which has a defined minimum and maximum rate of pay and is divided into quartiles.

Information below is not included as part of the contents of the official Policy. It is provided only as a convenience for readers/users and may be changed at any time by persons authorized by the President, subject to review by the USU Policy Committee.

RESOURCES

Procedures

- None

Guidance

- None

Related Forms and Tools

- None

Contacts

- None

POLICY HISTORY

Original issue date: 1997/01/24

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