


<b>Name of Policy:</b> <u><a href="#">Compensation and salary administration</a></u>		 <p><b>Review/Revision Date:</b> December 6, 2017</p> <p><b>Original effective date:</b> August 1, 2012</p>	
<b>Policy Number:</b> 3364-25-59			
<b>Approving Officer:</b> President			
<b>Responsible Agent:</b> Associate Vice President and Chief Human Resources Officer			
<b>Scope:</b> All Campuses- Non-bargaining unit employees			
<input type="checkbox"/>	New policy proposal	<input type="checkbox"/>	Minor/technical revision of existing policy
<input checked="" type="checkbox"/>	Major revision of existing policy	<input type="checkbox"/>	Reaffirmation of existing policy

(A) Policy statement

The University will maintain a compensation and pay strategy that is consistent and fair without regard to race, color, religion, sex, age, national origin, ancestry, sexual orientation, gender identity and expression, military or veteran status, the presence of a disability, genetic information, familial status, political affiliation, or participation in protected activities in its provision of employment and educational opportunities relative to:

- (1) Internal equity based upon the demands and requirements of jobs
- (2) External market as defined by department and University Human Resources & Talent Development
- (3) Sound financial management of the University

(B) Purpose of policy

To develop a compensation strategy based on a structure that supports University operations and to provide an appropriate pay range for each position that accurately reflects its value in relation to its job family, career level and other staff positions. The goals are to:

- (1) To attract and retain quality staff
- (2) To invest in performance
- (3) To achieve an appropriate environment of equity
- (4) To encourage the development of both expertise in a specialized area and the ability to utilize a broad set of knowledge and skills

(C) Scope

The scope of this policy includes all positions within the University.

(D) Compensation Structure

Each position will be evaluated and established into the overall University compensation structure, as determined by the job evaluation process administered by Human Resources and Talent Development. The overall University compensation structure will consist of the following:

(1) Job Family:

A position's job family is determined based on the contents of the Position Information Questionnaire (PIQ), Job Description, the recognized career field and area in which the position is assigned. This determination is made based on a best fit, or most descriptive, judgment as made by Human Resources & Talent Development in collaboration with the department's leadership. A position that is a composite of multiple career fields will be assigned to the job family that represents the majority of the duties assigned.

(2) Career Level:

The career level of the position is determined based upon two separate but related methods. First, the Position Information Questionnaire (PIQ) and Job Description information is compared to a set of Career Level Definitions that profile the general background, experience, level of responsibility, scope and impact of a position at that level within the University.

The second method is an analysis of the job based on career level factors as compared to the contents of the Position Information Questionnaire (PIQ) and the Job Description.

Both methods are used to make a final determination as to the career level that best fits the position within the University structure. This determination is made based on a best fit, or most descriptive, judgment made by Human Resources & Talent Development in collaboration with the department's leadership.

(3) Title:

Salaried staff positions may have two position titles by which they are tracked.

- (a) The university title (position class) is a generic job structure title assigned to the position and is the official position title. This title is not subject to change or modification and is used for purposes of identifying and maintaining equity across the University and reporting requirements for like positions.
- (b) The working title, or business title, is a title that is assigned to the position and may be flexible as operational needs may require. While working titles are somewhat flexible, there should be some relationship between the career level of the position and the title of the position. The working title must be approved by

Human Resources & Talent Development in collaboration with the department's leadership.

(4) Pay Range:

A pay range will be established and reviewed at regular intervals for each job based on competitive salary survey data collected on a periodic basis. Adjustments to pay ranges will be considered at minimum every two years based on changes in the competitive market, driven by demand and/or wage inflation. The goal of the University is to set the target pay range midpoints at the 50%tile of the representative market for each group and job. The representative market may vary depending on the level of the job and is identified by Human Resources & Talent Development in collaboration with appropriate Vice President/Executive. The following is the minimum market that will be used to determine the target pay range midpoints:

Profile	<b>Executive</b> –President, VPs	<b>Sr. Adm / Mgr</b> – AVPs, Dir., Mgrs. (direct management/superv resp for 2+ FT employees)	<b>Professional</b> - Tech., Specialist, Analyst. (Individual contributors)	<b>Support</b> - Admin, Asst. Coord., Clerical
<b>Industry Profile</b>	Higher Edu./ Healthcare	Higher Edu. / Healthcare / Job Specialty	Higher Edu. / Healthcare / Job Specialty	Job Specialty
<b>Regional Profile</b>	National	National and/or Regional	National and/or Regional	Toledo / NW Ohio
<b>Scope Comparison</b>	Total national market	Peer Universities, Similar Enrollment, Size, or Budget	Peer Universities, Similar Enrollment, Size, or Budget	Peer Universities and local employers
<b>%tile Target in Sal. Survey</b>	Mid-point at 50%tile	Mid-point at 50%tile	Mid-point at 50%tile	Mid-point at 50%tile

Once the midpoint for each pay range is determined the range minimum and maximum is established. The minimum is typically 80% of the midpoint (midpoint x .80), and the maximum is typically 120% of the midpoint (midpoint x 1.20). The pay range for a job will be dependent on both the job family and career level of the position. Therefore, the salary ranges for positions in different job families may be different despite being at the same relative career level in the job structure. This difference is reflective of the value the market places on different job families.

Competitive pay for a particular job, by definition, is sensitive to a variety of job related factors, including:

- (a) Job Family (accounting, engineering, human resources, legal, etc.)
- (b) Job Specialty (in the job family of “accounting” there are accountants, financial analysts, tax specialists, economists, budget specialists, etc.)
- (c) Career Level (director, manager, supervisor, analyst/specialist, assistant, etc.)

Equally, competitive pay is sensitive to job market factors, including:

- (d) Employment / Unemployment rates
- (e) Economic performance overall, and in certain industries
- (f) Job supply and demand for various job specialty skills

Based on all of these factors, the competitive pay rate for a job will fluctuate, up or down, over time. Because of these fluctuations, a periodic review of competitive pay ranges for the University's jobs will be conducted.

#### (E) Salary Determination

By design, a pay range reflects the current "going rate" of pay for a particular job. Generally, when hiring a person into a job, there is a necessary learning curve the individual must complete in order to be viewed as fully competent in that job. It is therefore anticipated that, in most instances, the salary on appointment of a new employee, promotion, lateral transfer, or demotion, will be between the pay range minimum and the midpoint of the pay range.

In determining actual salary, the following factors should be considered:

- (1) relevance of education to the requirements of the position
  - (2) extent and relevance of experience to the requirements of the position
  - (3) availability of qualified candidates
  - (4) internal equity as compared to other employees in the job family
  - (5) budget and funding for the position
- (a) New Hire/Rehire/Internal Salary Offer: The following guidelines should be used when determining an offer:

Compa-Ratio to Mid-Point:	New Hire: Job Requirements, Credentials and Ability	Existing Employee: Ability, Performance and University Need
(minimum to first quartile)	Generally qualified (meets minimum qualifications), but in need of coaching and direction in order to attain full responsibilities of the position.	Generally qualified (meets minimum qualifications), but in need of coaching and direction in order to attain full responsibilities of the position (newly promoted or less experienced individuals with potential)
(first quartile to mid-point)	Qualified and able to attain the full responsibilities of the position with minimal supervisory guidance.	Qualified and able to attain the full responsibilities of the position with minimal supervisory guidance. (Well qualified and very experienced individuals)
(mid-point to third quartile)	This is reserved for high impact, new hires who are specifically hired to change the strategy of a broad, far reaching University process. <b>Requires prior</b> approval by area Vice President and Associate Vice President and Chief Human Resource Officer before an offer can be extended.	This is reserved for high impact individuals that are making significant contributions to the University (Well qualified and very experienced individuals - high impact individuals)
(third quartile to maximum)	<b>Reserved</b> - PRIOR approval by Associate Vice President and Chief Human Resource Officer in consultation with the <b>University President</b> is required.	<b>Reserved for individuals with extraordinary skills</b>

## (b) Ongoing Salary Administration:

It is the goal of the University to be as flexible as possible regarding salary administration, within the bounds of fairness and equity. For this reason, the Appointing Authority for salary decisions along with the appropriate Vice President/Executive will decide on those *that fall outside of the usual practice*. Salary for hiring, promotion, lateral job changes, or demotion will be established consistent with the following factors:

- (i) Individual credentials and experience will be compared to those in similar positions in the employing unit and, if applicable, across the university
- (ii) Individual credentials and experience will be compared to the relevant competitive market
- (iii) The individual's expected level of performance will be considered
- (iv) The level of available funding within the employing unit is also a factor

The following chart details when additional approval must be sought PRIOR to any salary changes being made, or communicated, to an employee.

Change in Position	Change in Salary	Executive/VP Role	Human Resource & Talent Development Role
<b>Promotion</b> - Employee moves to a position that requires a significantly greater degree (+35%) of skill, effort, and responsibility	Up to 10%	Authorized to approve	Provides consultation
	11% - 15%	Authorized to approve if salary is the minimum of the new pay range.  If not the minimum of the new pay range - Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice	Provides consultation  (IN ADVANCE of any counter-offer to the employee)
	>15%	Must seek approval from the Associate Vice President and Chief Human Resource Officer in consultation with the President unless the proposed salary is the minimum of the new pay range	Provides consultation  (IN ADVANCE of any counter-offer to the employee)
<b>Demotion: Voluntary/Career Opportunity or Disciplinary</b> - Employee moves from a position that requires a lesser degree (35%) of skill, effort, and responsibility	<10%	Authorized to approve	Provides consultation
	If the decrease is more than 10%	Authorized to approve if salary is the minimum of the new pay range.  If not the minimum of the new pay range - Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice	Provides consultation  (IN ADVANCE of any counter-offer to the employee)
<b>Lateral / Same Pay Range -</b>	Up to 5%	Authorized to approve	Provides consultation

<p><b>Position change</b> - Job change requires no change in skills or knowledge</p>	<p>&gt; 5%</p>	<p>Authorized to approve if salary is the minimum of the new pay range.</p> <p>If not the minimum of the new pay range - Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>
<p><b>Lateral: Same Pay Range Career Progression</b> (a) new job requires the use of new set of content knowledge or skills, similar complexity, or (b) new job involves a change from a senior individual contributor or specialist, to entry level management of people, projects, or programs or vice versa, or (c) new job requires an increase in depth or level of complexity in an area of expertise</p>	<p>Up to 5%</p>	<p>Authorized to approve</p>	<p>Provides consultation</p>
	<p>&gt;5%</p>	<p>Authorized to approve if salary is the minimum of the new pay range.</p> <p>If not the minimum of the new pay range - Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>
<p><b>Counter-offers</b></p>	<p>Internal</p>	<p>It is expected that both managers will work together to determine an appropriate salary for the employee based on current pay range of both potential jobs, then presents the employee with a choice between the two jobs, at equal pay</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>
	<p>External</p>	<p>Staff member must provide written, bona fid evidence of the offer from the other employer before consideration of an increase is entertained</p> <p>Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>
<p><b>Off-Cycle increases</b> - equity, market, performance, etc.</p>	<p>up to 5%</p>	<p>Authorized to approve, must provide additional funds within pre-approved budget - Written justification must be submitted with appropriate form</p>	<p>Provides consultation</p>
	<p>&gt;5%</p>	<p>Must provide additional funds with pre-approved budget funds - Written justification must be submitted for pre-approval by HRTD</p> <p>Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>
<p><b>Interim Appointments</b> - where an employee is assigned to a position on an interim/temporary/acting basis for longer than 30 days and less than one year</p>	<p>up to 10% - stipend</p> <p>➤ 10%</p>	<p>Must provide additional funds with pre-approved budget - Written justification must be submitted for pre-approval</p> <p>Appointing Authority along with the appropriate Vice President/Executive will determine on those that fall outside of the usual practice</p>	<p>Provides consultation  (IN ADVANCE of any counter-offer to the employee)</p>

**NOTE:**

- Stipends are to be used for temporary purposes (ex. interim, temp additional responsibilities, etc.) and are not to be used to supplement an employee’s pay. Stipends should not be used for more than 12 months without appropriate approval.
- Extra Comp is to be used only if it has been pre-approved by HRTD before work is done and/or a commitment has been made to an employee.
- All stipends and extra comps are subject to review and approval by the President.

(c) Extra Compensation Guidelines:

It is the goal of the University to be as flexible as possible regarding extra compensation, within the bounds of fairness and equity. Extra Compensation is to be used only if it has been reviewed by HRTD before work is done and/or a commitment has been made to an employee. Extra Compensation is not guaranteed unless supported by an appropriately approved and documented contractual agreement.

Extra Compensation Category	Examples	Reviewed	Approvals
<p><b>Academic</b>                      Compensation for academic assignments for which faculty or staff is specifically qualified, which advance the mission of the University, but which fall outside the expectations associated with the employee’s current job description. <del>The</del> Any additional duties must not interfere with the primary duties.</p>	<ul style="list-style-type: none"> <li>•Employee Agreements/Offer Letters</li> <li>•Non-Faculty Course Instruction</li> <li>•Interim Responsibilities</li> <li>•All academic faculty awards/bonus</li> <li>•Academic-related staff awards/bonuses</li> </ul>	<p>HRTD</p>	<p>Executive/VP                      Provost                      Appointing Authority</p>
<p><b>Administrative</b>                      Compensation for administrative assignments for which staff or faculty is specifically qualified, which advance the mission of the University, but which fall outside the expectations associated with the employee’s current job description. The additional duties must not interfere with the primary duties.(not related to Academics)</p>	<ul style="list-style-type: none"> <li>•Significant Additional Responsibilities Performed On a One-time Basis</li> </ul>	<p>HRTD</p>	<p>Executive/VP                      Appointing Authority</p>
<p><b>Bonuses/Awards</b>                      Additional compensation provided above normal wages as a reward for achieving specific goals set by the University. Criteria should be documented, specific and provide value to the University in excess of the amount designated.</p>	<ul style="list-style-type: none"> <li>•Employee Agreements/Offer Letters</li> <li>•Key Performance Indicators</li> <li>•Academic Bonuses (Academics)</li> <li>•Academic Progress Rate Bonus (Athletics)</li> <li>•Camp Proceeds</li> <li>•Distinguished University Professional Award</li> <li>•Innovations Teaching Awards</li> </ul>	<p>HRTD</p>	<p>Executive/VP                      Appointing Authority</p>
<p><b>CBA Obligations</b>                      Provisions in collective bargaining agreements related to employee’s eligibility for additional compensation based upon established criteria.</p>	<ul style="list-style-type: none"> <li>•Course Instruction and/or Development</li> <li>•Overload (Beyond normal workload)</li> <li>•In-Load (Summer Instruction)</li> <li>•Working out of classification</li> <li>•Other Academic</li> </ul>	<p>HRTD</p>	<p>Executive/VP                      Appointing Authority</p>
<p><b>Contractual Obligations</b>                      A written agreement that outlines payments made for regular or additional salary for services provided. Generally requires legal review and appropriate signatures.</p>	<ul style="list-style-type: none"> <li>•Northwest State Community College</li> <li>•On-Call Agreements</li> </ul>	<p>HRTD</p>	<p>Executive/VP                      Appointing Authority</p>

<b>Externally Funded (Non-Grant)</b> Compensation for assignments which faculty or staff is specifically qualified, which advance the mission of the University, but which is funded by dollars outside of UT (including UTP).	<ul style="list-style-type: none"> <li>•UT Reimbursed Amounts</li> <li>•Terra Community College</li> <li>•Professional Services Agreement</li> </ul>	HRTD	Executive/VP Appointing Authority
<b>Regular and Conditional Stipends</b> Compensation used for temporary purposes (ex. interim, temp additional responsibilities, etc.) and are not to be used to supplement an employee's pay. Stipends should not be used for more than 12 months without appropriate approval.	<ul style="list-style-type: none"> <li>•Significant Additional Responsibilities</li> <li>•Interim Responsibilities</li> </ul>	HRTD	Executive/VP Appointing Authority

### Other guiding principles:

- (i) Additional and/or temporary job duties (more work) at the same or similar level does not normally equate or warrant a pay increase or extra compensation.
- (ii) Substantially higher level duties assigned to an individual may warrant a review for appropriate compensation that may be added to the base salary or paid as extra compensation.
- (iii) The University's compensation philosophy is market-based pay. An individual's actual salary within a pay range may vary by credentials and performance of staff occupying individual positions. Managers should also balance this with the need to attend to pay equity issues within their functional areas (this does not mean identical pay for people performing similar work, particularly if there are distinctions in performance and productivity).
- (iv) All pay adjustments and extra compensation must be supported by available funds, and managers must ensure funds availability before requesting salary increases or extra compensation for staff in their area.

### (F) Pay Above Salary Range Maximum

Staff salaries are capped at the maximum of the salary range for the position. Any staff salaries above the maximum will be frozen until such time as those salaries are within the range.

Staff above the maximum may be eligible each year for a one-time, merit-based lump sum not to exceed the percentage of the salary pool designated for merit each year. This will occur only when the Board of Trustees authorizes bonuses and will not be added to the base salaries.

### (G) Job Evaluation Process

The job evaluation process is a method by which positions are evaluated against a uniform set of criteria and assigned to established career levels within the UT job structure. Human Resources & Talent Development conducts the evaluation of new and existing positions. It is anticipated positions will be evaluated no more than once per 12-month period unless extenuating circumstances exist.



Jobs are evaluated or re-evaluated when one of the following occurs:

(1) New position

An employing unit may initiate the creation of a new position by completing the appropriate action within the electronic system and submitting to Human Resources & Talent Development for review. HRTD in collaboration with appropriate Vice President/Executive will determine appropriate classification according to federal and state laws, university policies and bargaining agreements. Once the evaluation has been completed the employing unit may proceed with approval to fill position within the electronic system.

(2) Reclassification of existing positions (with incumbent)

- (a) The college or vice presidential unit, employing unit, or incumbent staff member may initiate requests for reclassification. This would include if there is a significant change in responsibilities or proposed changes to an existing position. Requests may also be made for review for appropriate classification and pay range or career level.
- (b) The incumbent should complete a Position Information Questionnaire and provide to supervisor which will review, complete their section and sign (not required for a proposed change to existing position). The employing unit should complete the appropriate action within the electronic system, attach the Position Information Questionnaire and submit to Human Resources & Talent Development for review. The employing unit may recommend a classification / title for the new position when submitting to HRTD. Upon completion of review by HRTD the appropriate classification / title and salary range will be added to the electronic system and submitted accordingly for all appropriate approvals.
- (c) Changes to a position should not be communicated to individuals until all appropriate approvals have been received.

(3) Vacant position

An employing unit may initiate a change to a vacant position at the time requesting to fill the position by completing the appropriate action within the electronic system and submitting to Human Resources & Talent Development for review. HRTD will determine appropriate classification according to federal and state laws, university policies and bargaining agreements. Upon completion of review by HRTD the appropriate classification / title and salary range will be added to the electronic system and submitted accordingly for all appropriate approvals.

(4) Reorganization occurs

Re-evaluations may be initiated by a department head, Dean, Vice President, or President/Designee prior to the reorganization and in conjunction with Human Resources & Talent Development. Reorganizations may result in significant changes in position responsibilities.

(H) Ability to Pay

Ability to pay is a separate, but closely related, consideration when determining how much the University can afford when considering pay adjustments and extra compensation.

- (1) Annual budget / balanced budget
- (2) State funding allocation vs. Enrollment fees
- (3) Competing spending priorities
- (4) Fringe benefit costs
- (5) Grant funding

These many competing interests will be balanced appropriately. Given these considerations, pay adjustments may need to be planned and budgeted over a period of time.

The University is committed to paying a competitive salary for all employees and will work to achieve this standard, while also balancing other, competing priorities. At any point in time the President of the University may impose more stringent parameters for budgetary reasons.

It is the responsibility of the Associate Vice President and Chief Human Resource Officer to keep the University President apprised of the ongoing need for adjustments so that proper budget reserves can be set on an annual basis.

<p>Approved by:</p> <p><u>/s/</u> Sharon L. Gaber President</p> <p><u>December 6, 2017</u> Date</p> <p><i>Review/Revision Completed by: Associate VP and Chief HR Officer, SLT</i></p>	<p><b>Policies Superseded by This Policy:</b></p> <p><i>3364-25-120 Classification and Pay, former Main Campus policy, previous revision date 9/19/11</i></p> <p><i>3364-25-115 Unclassified Positions, former Main Campus policy, previous review date 7/1/03</i></p> <p><i>3364-25-102 Salaried employment status, former Health Science Campus policy, previous revision date 7/1/03</i></p> <p>Initial effective date: August 1, 2012 Review/Revision Date: December 6, 2017 Next review date: December 7, 2020</p>
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