

University Enterprises, Inc. Policies and Procedures		Policy No. 218
Section:	Human Resources	
Policy:	Salary Increases	
Revised Date:	May 17, 2011	

Salary Increases

I. PURPOSE

To define University Enterprises, Inc. (UEI)'s policy and procedures for salary increases for regular employees.

II SCOPE

This policy applies to regular benefited UEI employees with the exception of some project appointed employees and employees working through the United States Geological Survey. This policy does not apply to employees covered under a Labor-Management Memorandum of Understanding. Employees covered under a Memorandum of Understanding must follow their union labor contract provisions.

III POLICY

It is the policy of UEI to maintain a salary system for regular employee salary increases. Typical methods include General Salary Increase and Pay for Performance under the Compensation Package, Salary Differential, In-Range Pay Adjustment, and Bonus.

IV PROCEDURES AND RESPONSIBILITIES

A. Compensation Package: The typical components for the compensation package include Pay For Performance and General Salary Increases. Other components may be included. Employees must have been in their current or reclassified positions by December 31 of the previous year to be eligible for a recommendation for a Pay For Performance salary increase. Employees who are not subject to the Management Personnel Plan, but who are at the maximum of their salary ranges, may be eligible for a Pay For Performance (PFP) increase if the PFP increase does not raise their salary to more than 10% above their salary range maximum. Employees in the Management Personnel Plan are eligible for Pay For Performance increases, but are not eligible for General Salary Increases. Salary increases are contingent upon approval of the compensation package by UEI's Board of Directors and are charged to the department's or project's budget. Funds must be available before any increases are approved. The Executive Director recommends to the Board of Directors' Personnel Committee a total compensation package for the next fiscal year. This compensation package may include a recommended percentage for salary increases (or none), including a recommended percentage for each component.

1. The Personnel Committee reviews the Executive Director's recommendations and recommends to UEI's Board of Directors, for approval, a total compensation package including a percentage for each component.

2. The Personnel Committee establishes a total salary increase percentage level which will require Committee approval for individual employees. The Executive Director retains discretion to approve salary increases below the percentage requiring Personnel Committee Approval.
 3. Approval of Pay For Performance recommendations is dependent upon budgeted funding for the increases, each eligible employee's performance rating and the funds in the compensation package designated for Pay For Performance. If the total Pay For Performance recommendations exceed the funds in the compensation package, the Executive Director may recommend adjustments to the Personnel Committee.
 4. Supervisors are responsible for completing performance evaluations for subordinate employees using UEI's Performance Evaluation form. (See Policy 305 - Performance Evaluation.) Supervisors may recommend individual employees to their department directors for Pay For Performance salary increases based on the employee's overall demonstrated job performance as documented in performance evaluations and supporting documents. The department director approves or revises the recommendations and forwards all the materials to Human Resources. Supervisors should not advise an employee that he or she has been recommended for a salary increase until it has been approved.
 5. The Executive Director advises the Personnel Committee of any salary increase recommendations for individual employees requiring Personnel Committee approval. The Executive Director also provides the Personnel Committee with the detailed recommendations and performance evaluations. The Personnel Committee reviews the materials and approves or adjusts the salary increases.
 6. The Director, Human Resources, advises the Directors and Project Directors of approved salary increases and any adjustments. Human Resources will initiate paperwork to implement the action.
- B. Salary Differential: A salary differential is a temporary adjustment (typically less than 12 months) to base pay paid for temporary special project coordination, additional assignments and/or temporary lead work assignments for employees in eligible positions. This salary adjustment should be used only when other options are not available.
1. Differentials are used for periodic special assignments or other reasons as determined by the Department Director. A salary differential will typically be from 5% to 7% of base pay.
 2. Requests for a salary differential should be initiated by a department or project director. The request is submitted to the Director, Human Resources and includes the special project and/or lead responsibilities, the duration of the assignment and the recommended salary differential. Final approval requires written approval from the department/project director, Director, Human Resources and the Executive Director. Human Resources will then initiate paperwork to implement the action.
 3. Salary increases are charged to the department's or project's budget. Funds must be available before any increases are approved.

- C. In-Range Pay Adjustment: An in-range pay adjustment refers to an increase to base salary within the salary range of the current position. It is used when other compensation mechanisms are not appropriate or available. Normally, an in-range pay adjustment will range from 3% to 7% of base pay. In-range pay adjustments will typically be based upon one or more of the following:

Additional assigned duties: a significant addition of duties/responsibilities, performed at a satisfactory or above level, but not to the extent that a new classification is warranted.

Enhanced skills: recognition of growth in skills or the development of new, ongoing skills and abilities required by the position as determined by management and regularly applied by the incumbent.

Exceptional Performance: sustained overall performance at the maximum performance evaluation rating documented through the performance evaluation process including consistently exceeding established performance goals of the department or program.

Equity: departmental or UEI salary equity/compression not related to factors such as experience, performance, and education.

1. Requests for an in-range pay adjustment should be initiated by a department or project director. The request is submitted to the Director, Human Resources outlining the reasons for the request and the recommended amount. Final approval requires written approval from the department/project director, Director, Human Resources and the Executive Director. Human Resources will then initiate paperwork to implement the action.
 2. Salary increases are charged to the department's or project's budget. Funds must be available before any increases are approved. Supervisors should not advise an employee that he or she has been recommended for an in-range pay adjustment unless it has been approved and they receive final notification by the Human Resources Department.
 3. An employee must have completed at least one year of service to be eligible for an in-range pay adjustment, except for extraordinary circumstances. An employee must have a current performance evaluation on file at an overall satisfactory or above level. An employee is typically eligible for an in-range pay adjustment only once in a given fiscal year.
- D. Bonus Payments: Bonus is defined as a lump sum payment that is not an increase to base pay. Bonus payments may be available for certain situations not otherwise compensated for which may include: 1) sign on bonus (recruitment from off-campus) 2) retention 3) individual or group performance, and 4) completion of education, certifications, or programs leading to additional job related knowledge/skills.
1. Requests for a bonus should be initiated by a department or project director. The request is submitted to the Director, Human Resources illustrating the particular factors leading to the request and the recommended bonus amount. The request will be analyzed to determine if a bonus and the requested amount is warranted. The final amount of the bonus is determined as a result of consultation among the department/project director, the Director, Human Resources and Executive Director. Final approval requires written approval from the Executive Director. Human Resources will then initiate paperwork to implement the action.

2. All bonuses are funded by the requesting department. Supervisors should not advise an employee that he or she has been recommended for a bonus unless it has been approved and they receive final notification by the Human Resources Department.
3. An employee must have completed at least one year of service to be eligible for a bonus, except for a sign on bonus or extraordinary circumstances. An employee must have a current performance evaluation on file at an overall satisfactory or above level. An employee is typically eligible for a bonus only once in a given fiscal year.

V. RELATED POLICIES

- Policy No. 012 Management Personnel Plan (MPP)
- Policy No. 210 Job Descriptions
- Policy No. 215 Salary Program Administration – Regular Employees
- Policy No. 305 Performance Appraisal