This section provides guidance for making sound compensation decisions and delineates responsibilities for the implementation and maintenance of the Staff Classification System.

**Initiation and Review of Salary Changes**

- Deans, directors, and department heads are responsible for making appropriate recommendations within the parameters of the system. Departments are responsible for applying the classification and compensation system on an ongoing basis, providing answers to incumbent questions, and providing job descriptions for all system participants.

- The Office of Human Resources is responsible for the direction, administration, and interpretation of the system, and will:
  - Provide training and education for department administrators and system participants.
  - Provide deans, directors, and department heads with the tools necessary to use the system effectively.
  - Administer the system, including market data analysis, job description review, and system interpretation.
  - Evaluate and classify all positions for inclusion in the system.
  - Maintain the master file of job descriptions.

- The Chancellor or his/her designee has final authority for all salary administration policies.

**Pay Structure Review**

- The Associate Vice Chancellor of Human Resources will annually review and recommend adjustment to the pay structure. This adjustment will take into consideration market and economic factors. Pay structure adjustments will be effective on July 1, to coincide with the beginning of the University’s fiscal year.

**Salary Administration Guidelines**

- New Appointments
  - The creation of a new position must be approved by the appropriate Senior Administrator (i.e. Chancellor, Provost, Executive Vice Chancellor, Senior Vice Chancellor, Vice Chancellor, Associate/Assistant Chancellor) before it may be opened.
  - The University will hire new employees between the minimum and midpoint of the respective pay range. Requests for salaries above the midpoint will be reviewed by the appropriate Senior Administrator and the Office of Human Resources prior to the extension of a job offer.
  - Job offers with pay above the midpoint of the pay range must be documented, and may include qualifications of the candidate, number of qualified applicants identified, market considerations, and potential compression issues.
Position Reclassification

- When a position is advanced to the next higher pay grade as a result of a significant expansion in the position’s existing duties and responsibilities, the employee’s pay may be adjusted up to 10% or to the minimum of the new range. For reclassifications beyond one pay grade, pay increases of up to 20% may be given. Exceptions to the above will be reviewed by the appropriate Senior Administrator and the Office of Human Resources. However, no increase will be granted if the incumbent is at or above the range maximum of the new grade.
- When a position is assigned to a lower pay grade as a result of a significant reduction in the position’s existing duties and responsibilities, the incumbent’s pay should be decreased in the same manner as “Demotions.”

Promotions

- When an employee is promoted into a position that is one pay grade higher, the employee’s pay may be adjusted up to 10% or to the minimum of the new range. For promotions beyond one pay grade, pay increases of up to 20% may be given. Exceptions to the above will be reviewed by the appropriate Senior Administrator and the Office of Human Resources.

Demotions

- When an employee moves, either voluntarily or because of performance, to a position in a lower pay grade requiring significantly less skill, effort and responsibility, the employee’s pay may be decreased by at least 5%, subject to the range minimum and maximum of the new grade.
- In instances where a demotion is involuntary and non-performance related, the employee’s pay shall be maintained at its current level so long as it is not above the maximum of the new grade to which the position is assigned. Exceptions to this must be reviewed by the appropriate Senior Administrator and the Office of Human Resources.

Additional Responsibilities with No Reclassification

- Employees who assume additional responsibilities that do not result in a reclassification may be granted a pay increase up to 5%. Exceptions to this will be reviewed by the appropriate Senior Administrator and the Office of Human Resources.

Lateral Transfer

- When an employee makes a lateral move from one position to another within the same pay grade (inter- or intra-departmental), the pay will be determined by the hiring department. Factors in “Additional Responsibilities with No Reclassification” section will guide this consideration.

Interim Assignments

- When an exempt employee temporarily assumes additional duties which are representative of a higher grade, the employee may receive additional compensation as follows:
  - Less than six months via the supplemental payment process on the Supplemental Earning Form 0153 (see the University’s policy and procedure on Supplemental Pay 07-09-02 for more information).
  - More than 6 months via a pay adjustment on the employee’s record, consistent with promotion guidelines. Affected employees must be notified, in writing, by the department manager of the temporary nature of the pay adjustment.
★ Pay Below Minimum

- All employees' salaries must meet the minimum of the pay range.

★ Pay Above Maximum

- Each salary range has an associated maximum, which is the highest amount of pay the University will provide a staff employee to perform their job. A staff employee’s base pay shall not exceed the maximum of their salary range.
- Upon the implementation of the Staff Classification System on July 1, 1999, classified staff employees whose salaries were 90% or greater into the new salary range were granted “Grandfathered” status which provided them an exemption from the Pay Above maximum guidelines. A classified staff employee’s “Grandfathered” status will change under the following situations:
  - The employee has a change in salary range, either higher or lower, due to a promotion, voluntary or performance related demotion, or reclassification, where the employee’s salary falls within the new salary range
  - An employee leaves the University and is subsequently rehired

★ Provisional Period Increase

- End of provisional period pay increases will not be granted. Pay adjustments following the successful completion of a provisional period may be considered as “Other Increases.”

★ Other Increases

- Pay adjustments outside the scope of annual increases and the increases referenced above will only be considered with proper justification and approval by the appropriate Senior Administrator and the Office of Human Resources.

Reclassifications

★ No reclassifications are permitted until the provisional period is completed.
★ The effective date of reclassifications and the appropriate pay adjustment will be administered as follows:
  - If a classification review request is received by the Office of Human Resources on or before the 15th of the month, the reclassification will be retroactive to beginning of that month.
  - If a classification review request is received by the Office of Human Resources after the 15th of the month, the reclassification becomes effective on the first day of the following month.
★ The effective date of a reclassification, as a result of a job analysis, will be the date the job analysis is requested and received by the Office of Human Resources.

Externally Funded Positions

★ Externally funded positions falling under the scope of this system must adhere to the same guidelines and procedures as other positions at the University unless there are specified reasons for making exceptions.

Application of the Fair Labor Standards Act (FLSA)

★ The Office of Human Resources has the responsibility to carry out the provisions of the Fair Labor Standards Act in determining the exempt and non-exempt status of University employees. If the
Wage-Hour Division of the U.S. Department of Labor challenges a status ruling, the University must be able to provide adequate documentation to support the exemption status.

★ Exempt employees, based on the specific job descriptions of duties and responsibilities, are exempt from the overtime provisions of the Fair Labor Standard Act and are not eligible for overtime payments.

★ Nonexempt employees that work between 37.5 and 40 hours during the workweek may either receive a straight hourly rate or be given compensatory time off for those hours, at the discretion of the department administrator. Regardless of the method used, straight time or compensatory time off must be paid or used within the pay period it is earned or in the next pay period.

★ Nonexempt employees MUST be paid at the rate of 1.5 times the regular hourly rate for all hours actually worked in excess of 40 hours per workweek. Overtime pay must be paid through Payroll in the pay period it is earned or in the next pay period.