

**HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES**

|                     |   |                 |                                    |
|---------------------|---|-----------------|------------------------------------|
| Chapter 4           | General Personnel Policies                                  | Effective:      | December 2004                      |
| Section 4.6         | Classification and Compensation Administration              | Revised:        |                                    |
| <b>Policy 4.6.7</b> | <b>Compensation Administration for Classified Employees</b> | Responsibility: | Vice President for Human Resources |

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## **COMPENSATION ADMINISTRATION FOR CLASSIFIED EMPLOYEES**

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### **Policy**

It is the policy of the Health Science Center to set compensation rates that reflect labor market conditions and to establish a pay schedule that is adaptive to changes in the relevant labor market or to mandates from the State Legislature.

The Health Science Center is committed to complying with any federal or state laws that regulate salary administration. Further, the Health Science Center prohibits discrimination in all aspects of salary administration and compensation actions on the basis of race, color, religion, sex, national origin, age, sexual orientation, disability, or veteran status.

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### **Applicability**

This policy applies to all classified employees of the Health Science Center, including full- and part-time, regular and non-regular employees.

Classified employees are those individuals who hold a job classification that resides in the *Classified Pay Plan*.

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### **Interpretation of Pay Ranges**

Each established pay range shall be the gross compensation for a full-time equivalent position in any job classification assigned to that range. The pay rate for part-time equivalent positions is proportionate to the number of hours for which that position is appointed.

Each pay range has a minimum and maximum compensation rate and includes any pay value set within these two rates. Employees may not be paid below the minimum or above the maximum of the pay range.

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### **Merit Salary Increases**

Merit increases are pay increases granted to an employee for demonstrated exemplary performance. Annual merit increases may be granted subject to the availability of funds and in accordance with the merit salary increase policy and procedures (in-cycle) announced by the Executive Vice President for Business Affairs or the Health Science Center's Budget Office.

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Out-of-cycle merit increases or salary adjustments may be granted on an exception basis and are subject to availability of funds and subject to the approval of the Vice President for Human Resources. A memo to the Vice President for Human Resources with specific written justification is required for all out-of-cycle salary increase requests.

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**Transfers**

If an employee is transferring within the same job class, but to another department, the rate of pay will remain unchanged.

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**Reclassifications and Promotions**

If the rate of pay in the previous position was less than the minimum rate established for the class of the new position, the rate of pay will be advanced to the minimum for the class of the new position.

Any salary adjustment request that is above and beyond this provision, must be treated as an out-of-cycle request as stated above.

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**Demotions**

If the rate of pay in the previous position was more than the maximum rate established for the class of the new position, the pay will be reduced to a point within the range for the class of the new position. This amount will be determined by the department head subject to the approval of the Vice President for Human Resources.

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**Establishing New Minimum**

Annual reviews are conducted by Human Resources to determine whether salaries for job classes in the *Classified Pay Plan* at the Health Science Center are competitive. With the approval of the Vice President for Human Resources, the minimum salary of those job classes that are determined to be below the average recruiting rate shall be adjusted. Salaries of all employees who are below the new established minimum will automatically be adjusted to the new rate.

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**Funding Policy**

All wage and salary funds are subject to the Health Science Center's regulations and controls regardless of the original source. The source of funds for payment of salaries will have no bearing on the rates of pay

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established for positions. No appointment or change in salary will be made to a rate above the maximum for the class approved in the Plan.

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**Beginning Salary Rates for New Employees**

1. New employees normally are hired at the minimum of the range for the classification to which they are appointed. A department may hire up to 15% above the minimum of the salary range without any external approvals, provided that the cost will be fully covered and sustained in the future without an increase to the department's total budget.
  2. Appointments over 15% above the minimum require a letter of justification to and approval of the Vice President for Human Resources. The department must show that the applicant has direct related work experience and/or formal education or training substantially above the minimum requirements of the position or that the availability of trained applicants in the local market is limited or that no applicant has indicated acceptance of a salary that is within the 15% limit.
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**Pay for Part Time and/or Temporary Employment**

1. When an employee routinely works for a period less than the regularly established forty-hour (40) workweek, the amount paid will be proportionate to the time actually worked.
  2. Any employee appointed for less than twenty (20) hours per week or for less than four and one-half months will be paid on an hourly basis.
  3. Any employee appointed for more than twenty (20) hours per week and more than four and one-half (4½) months should be paid on a salary basis.
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**Compensation Provisions**

1. The compensation schedule ensures uniform treatment of comparable positions, affords opportunity for recognition of quality and length of service, considers the pay practices applicable to comparable positions in both the public and private employment sectors, and reflects the general economic conditions affecting salary policy.
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2. To assist the Health Science Center in maintaining sound pay policies, the Vice President for Human Resources studies pay practices among governmental and private employers, the cost of living, the ability of the Health Science Center to secure and retain the services of thoroughly qualified employees, and other pertinent information submitted by officials and employees of the University.
  3. When appropriate, the Vice President for Human Resources shall recommend changes in the compensation plan through the Executive Vice President for Business Affairs.

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**Monitoring**

To ensure nondiscrimination practices, the Office of Human Resources will be responsible and reserves the right to periodically audit or request any record and documentation pertaining to new hire salary requests and salary adjustments for current employees. Findings from the audit will be provided by the Vice President for Human Resources to the respective department head and executive committee member.

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