


<b>Name of Policy:</b> <u>Compensation and salary administration</u>		 <b>Effective date:</b> May 27, 2022  <b>Original effective date:</b> August 1, 2012	
<b>Policy Number:</b> 3364-25-59			
<b>Approving Officer:</b> President			
<b>Responsible Agent:</b> 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 strategy that is consistent and fair without regard to race, color, religion, gender, gender identity or expression, national origin (ancestry), military status (past, present, or future), disability, age (40 years or older), status as a parent during pregnancy and immediately after the birth of a child, status as a parent of a young child, status as a foster parent, genetic information, or sexual orientation, as those terms are defined in Ohio law and federal law, political affiliation, or participation in protected activities, in its provisions of employment and educational opportunities relative to:

- (1) Internal equity and external market based upon the demands and requirements of jobs as defined by human resources and this policy
- (2) Sound financial management of the University
- (3) Supporting university goals, values, and overall total rewards strategy

(B) Purpose of policy

The University compensation strategy is to:

- (1) Attract and retain quality staff
- (2) Encourage high performance and opportunities to advance
- (3) Achieve an appropriate environment of equity
- (4) Provide a structure for determining new hire pay and pay adjustments

Compensation is the investment an organization makes in its people. An employee's total compensation is the compilation of not only salary but employer contributions to insurance programs, retirement, training, paid leaves, and other benefits—in essence, the value of the

various components of the full compensation package, both direct and indirect. The policy provides guidance in making compensation decisions.

(C) Scope

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

(D) Pay System Structure

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

(1) Job Description:

A written statement detailing the duties of a particular position. These consist of a general statement, listing of essential duties, qualifications and other defining elements. A job family is a group of jobs having similar content, within an established career field. A position that is a composite of multiple career fields will be assigned to the job title/family that represents the majority of the duties assigned.

(2) Title:

The job title is representative of the essential functions of the position. This title is used for purposes of identifying the position, reporting requirements, and maintaining equity across the organization for like positions. Titles are to be representative and commonplace within the field of work and follows the university titling guidelines. Human Resources will determine the Job Title.

(3) Pay Tables:

The salary schedules and pay rate tables will be reviewed on a periodic basis with HR approved competitive salary survey data. Adjustments to pay grade ranges will be considered at minimum every two years based on changes in the competitive market, driven by demand and/or wage inflation. The representative market may vary depending on the level of the job and is identified by Human Resources in collaboration with appropriate Vice President.

The pay grade for a job will be dependent on both the job duties and career level of the position. Therefore, the pay grade for positions in various jobs may be different despite being at the same relative career level in the job structure. This difference is reflective of the value the external market has on distinct job families.

**(E) New Hire Salary Determination**

The salary on appointment of a new employee, in consultation with HR, will be between the minimum and the maximum of the pay range based on a combination of all the following:

- (1) Relevance of education and experience related to the position
- (2) Market rate for the position
- (3) Internal equity as compared to other employees in the job family
- (4) Pay requirements of the candidate
- (5) Budget for the position

The final salary decision is reviewed and approved by Human Resources. See the policy 3364-25-62 Appointment and Classification for information on University classification and appointment types as prescribed by federal laws, state laws and/or university practices.

**(F) Ongoing Salary Administration:**

The Chief Human Resources Officer (CHRO) along with the appropriate Vice President may approve standard practice off-cycle base pay wage adjustments. Salary for promotion, equity, counteroffers, lateral job changes, or demotion will be established consistent with the following factors:

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

The final salary decision is reviewed and approved by the CHRO. The following details when any off-cycle base pay salary changes may be considered:

- **Promotion.** When an employee is promoted to a position in another classification at a higher pay grade, the hiring manager will use the new hire pay determination criteria along with the percentage increase between the pay range midpoints to determine the offer. In no case will the salary be set above the maximum of the range or be less than the minimum.
- **Lateral Transfer - Voluntary and Involuntary.** A lateral transfer to a position of the same classification or a classification in the same pay grade will not in-of-itself generate a salary change.
- **Voluntary Demotion.** When an employee requests to be reassigned to a different position at a lower pay grade, the salary requested will follow the new hire pay determination criteria along with the percentage decrease between the pay range midpoints to determine the amount. No salary increases will be considered for

voluntary demotion to a lower pay grade. In no case will the salary be set above the maximum of the range or be less than the minimum.

- **Involuntary Reassignment.** When an employee is involuntarily reassigned to a lower-level classification for disciplinary purposes, the Vice President has the discretion to decrease the employee's salary after consultation with Human Resources. Pay shall follow the new hire pay determination criteria along with the percentage decrease between the pay range midpoints to determine the amount. When an employee is involuntarily reassigned to a lower-level classification for non-disciplinary purposes, the employee's salary may be maintained at the current level or adjusted down due to budgetary and or equity reasons. In no case will the salary be set above the maximum of the range or be less than the minimum.
- **Counteroffer.** A counteroffer to retain an employee who has an offer from an external organization is permissible. A copy of the offer shall be provided to the supervisor. Contact your HR Consultant to gather market and internal equity data to ensure the counteroffer amount is appropriate. Due to employment churn and other negative impacts across departments, internal counteroffers are impermissible.
- **Internal Equity corrections.** A review of pay for departmental internal equity may be requested through the assigned Human Resources consultant. After a detailed salary analysis is performed by HR, a recommendation will be provided. Any adjustments are subject to available budget and must be approved by the CHRO and divisional VP.
- **Reorganization/Restructuring.** When requesting to reorganize a department or when combining departments, you will need to work with your HR consultant on updating job descriptions for those positions where job responsibilities will be changing, along with any proposed pay adjustments that would be requested. Follow the Reorganization SOP for details on this submission.

Change in Position	Change in Salary	VP Role	Human Resource Role
<b>Promotion</b> Employee takes a position that is in a higher pay grade	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 - CHRO along with the appropriate Vice President will determine on those that fall outside of the usual practice	Provides consultation  Review and approval
	>15%	Must seek approval from the Sr. Associate Vice President and Chief Human Resource Officer unless the proposed salary is the minimum of the new pay range	Provides consultation Review and Approval
<b>Lateral: Same Pay Range</b> <b>Career Progression</b> Similar level of skill	Up to 5%	Authorized to approve	Provides consultation

(b) new job involves a change from a senior individual contributor or specialist, to entry level management of people or programs, or (c) new job requires an increase in depth or level of complexity in a new area of expertise	Up to 10%	Authorized to approve if salary is in the first quartile of the pay range.  If above the first quartile of the new pay range, CHRO along with the appropriate Vice President will determine on those that fall outside of the usual practice	Provides consultation  Review and approval
<b>Counteroffers</b>	Internal	Due to counter employment churn and other negative impacts, internal counteroffers are not allowed	
	External	Staff member must provide genuine written evidence of the offer from the other employer before consideration of an increase is entertained  CHRO along with the appropriate Vice President will determine on those that fall outside of the usual practice	Provides consultation in advanced of any counteroffer to the employee
<b>Internal Equity Corrections</b>		Must provide additional funds with pre-approved budget funds - Written justification must be submitted for pre-approval by HR Detailed salary analysis performed by HR CHRO along with the appropriate Vice President will determine on those that fall outside of the usual practice	Requires consultation Review and approval

## (G) Extra Compensation Guidelines:

It is the goal of the University to provide appropriate pay based on responsibility of the position, and to be flexible regarding extra compensation, within the bounds of fairness and equity. Extra Compensation is to be used only if it has been reviewed and approved before work is done and a commitment has been made to an employee. Extra Compensation is not guaranteed unless supported by an appropriately approved and documented contractual agreement.

## Temporary Assignments

A supervisor may upon written notification to Human Resources, temporarily assign an employee the duties of a different position of a higher pay grade vacated by reason of an incumbent's extended leave or termination. Such assignments may be made for a period not to exceed six (6) months. Temporary assignments that extend past six months will need to be resubmitted.

- An employee temporarily assigned for less than thirty (30) calendar days duration shall receive no change in pay. Additionally, an employee temporarily taking on the more of the same duties in their own department or those of a lesser pay grade shall receive no change in pay.
- If the temporary assignment exceeds thirty (30) calendar days, and if the pay grade for the classification of the temporary assignment is higher than the grade of the employee's

regular position, the employee's salary may be temporarily increased not to exceed the same relative percentage above minimum currently held by the incumbent or up to the range midpoint of the new pay grade, whichever is greater.

- In no case will the temporary pay be below the minimum or above the maximum of the pay grade for the classification which the employee is temporarily assuming duties.

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. Any additional duties must not interfere with the primary duties.</p>	<ul style="list-style-type: none"> <li>• Non-Faculty course instruction</li> <li>• Academic interim responsibilities</li> <li>• All academic faculty awards/bonus</li> <li>• Academic-related staff awards/bonuses</li> </ul>	HR	VP Provost
<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>• Taking on a higher level (leadership) position on a short-term basis.</li> <li>• Significant additional responsibilities across departmental lines performed on a one-time or short-term basis</li> </ul>	HR	VP Human Resources
<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>• 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>• Teaching awards</li> </ul>	HR	VP HR if Administrative or Staff
<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>	HR	VP
<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>• MOU with other universities</li> <li>• On-call agreements</li> </ul>	HR	VP
<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 <u>outside</u> of UToledo (including UTP).</p>	<ul style="list-style-type: none"> <li>• UToledo reimbursed amounts</li> <li>• Terra Community College</li> <li>• Professional services agreements</li> </ul>	HR	VP HR if administrative or staff
<p><b>Regular and Conditional Stipends</b> Compensation used for temporary purposes. (ex. interim, temp additional responsibilities, etc.) Stipends should not be used for more than 6 months without appropriate approval.</p>	<ul style="list-style-type: none"> <li>• Higher level responsibilities</li> <li>• Interim appointment</li> <li>• Additional duties in support of another department</li> </ul>	HR	VP Human Resources

Other guiding principles:

- (i) Stipends are to be used for temporary purposes (ex. interim, temporary additional responsibilities, etc.) and are not to be used to permanently supplement an employee's pay. Stipends should not be used for more than 6 months without appropriate approval.
- (ii) 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.
- (iii) Substantially higher-level duties assigned to an individual may warrant a review for appropriate compensation that may be paid as extra compensation.
- (iv) 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 experience, performance, and productivity).
- (v) 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.

(H) 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 distribution designated for that year. This will occur only when the Board of Trustees authorizes a pay adjustment (general/merit) and will not be added to the base salaries.

(I) 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 UToledo job and grade structure. Human Resources conducts the evaluation of new and existing positions. It is anticipated positions will not be evaluated more than once per 12-month period unless extenuating circumstances exist.

A job analysis is a formal and systematic study of job content that uses various methods to ascertain job information. For example, Human Resources may arrange an interview with the employee(s) involved. After a thorough analysis, Human Resources will determine the appropriate title and grade in collaboration with the employing department. Changes in career level within the same job family will also need to go through the job evaluation process. Classified or unclassified positions that are inappropriately categorized will be reallocated to a title and grade that reflects their job responsibilities or the job duties in question will be removed.

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

(1) New position title

If the new position is not an established job and there is not another job title/description that is suitable, a new one will need to be created, audited, benchmarked, and approved. The employing director will submit a draft of the new job description. Once the evaluation has been completed, the employing unit may request approval to fill the position within the electronic system. Requests for new jobs and titles will need to adhere to the university titling guidelines.

(2) Reclassification of existing positions (with incumbent)

This request would only occur when there has been a significant change in responsibilities, or proposed changes to an existing position due to a reorganization. Maintenance requests may also be made to review the proper exempt status, or pay grade analysis. The job evaluation begins with the employee completing a Position Information Questionnaire (PIQ). Once the questionnaire is completed, both the immediate supervisor and department director will review to ensure the job responsibilities and characteristics are fully and accurately described. The department director, corroborating that the questionnaire accurately depicts the job's content, will make the request for a job evaluation following the established HR procedure.

The result of job evaluation will result on one of four results: upgrade, downgrade, no change, or a title change within the same pay grade. Incumbents of reclassified positions will be placed within their new pay range. If the pay of the reclassified job is greater or less than the employee's current rate of pay, an adjustment to the employee's pay may be requested. The reclassification is set to the first day of the pay period beginning after the completion of the requested audit. Reclassifications do not change anniversary dates. 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 before requesting to fill the position by completing the appropriate action within the electronic system and submitting to Human Resources for review. HR will determine appropriate classification according to federal and state laws, university policies and bargaining agreements and may request a job audit to be performed. Upon completion of review by HR, the appropriate classification, title and salary range will be added to the electronic system and submitted accordingly for all appropriate approvals.

(4) Audits



The Chief Human Resource Officer also has the right to initiate and make continuing audits of any positions. When a position is being considered for reclassification, any employee(s) presently working in that position shall be given an opportunity to submit their views regarding reclassification of the position. After the investigation, if the Chief Human Resource Officer finds that inequities or improper classification of positions exist; he/she may reallocate any position to the appropriate class as is necessary to provide an equitable and proper classification. Whenever a position is reclassified by determination of the audit, the affected employee(s) classification shall be changed within thirty (30) days of notification. Non-bargaining unit employees may appeal the reclassification of any position to the State Personnel Board of Review within thirty (30) days after receipt of the notification of reclassification. Employees in bargaining unit positions may appeal a change in classification utilizing the grievance procedure contained in the collective bargaining agreement. Unclassified non-bargaining unit employees may appeal utilizing the procedure outlined in the Dispute resolution for non-faculty employees not subject to collective bargaining agreements Policy (3364-25-41).

(J) 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. Pay adjustments may need to be planned and budgeted.

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.,

(K) Periodic Pay Increases

The Board of Trustees, considering economic conditions, and at the recommendation of the President of the University, periodically shall consider salary increases.

<p>Approved by:</p> <p><u>/s/</u> Gregory Postel, M.D. President</p> <p><u>May 27, 2022</u> Date</p> <p><i>Review/Revision Completed by: Senior Associate VP and Chief HR Officer, Senior Leadership Team</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> <i>3364-25-115 Unclassified Positions, former Main Campus policy, previous review date 7/1/03</i> <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: May 27, 2022 Next review date: May 27, 2025</p>
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