

## 31.01.01.D1.01 Compensation Administration



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### Procedure Summary

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Compliance with this procedure will ensure that decision factors and priorities are consistently applied with respect to adjusting and approving salary actions in employment, position classification, position reclassification, transfer, promotion and/or demotion, recruitment or recruitment advertising, layoff or termination, rates of pay, benefits, and right of appeal and selection for training.

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### Definitions

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**Demotion** - When an employee moves from their current position to a position requiring a lower level of knowledge, skills and/or abilities and/or has a lower level of responsibility and commands a lower rate of pay.

**Lateral Transfer** – When an employee moves from their current position to a position which is in the same pay grade and/or requires similar levels of knowledge, skills and abilities.

**Promotion** – When an employee moves from their current position to a position that requires higher level of knowledge, skills and/or abilities and/or has a higher level of responsibility and commands a higher rate of pay.

**Reclassification** – When a position’s job duties, responsibilities and required qualifications are reevaluated as a result of a re-organization or significant changes in the employee’s job duties and the position is assigned a different title and if necessary a different job group.

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### Procedure

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#### 1. PROCEDURES AND RESPONSIBILITIES:

1.1 The Office of Human Resource will:

- 1.1.1 Develop, implement, evaluate, and maintain the University's compensation programs for exempt and non-exempt staff employees, non-budgeted hourly employees, student workers, and graduate assistants.
- 1.1.2 Monitor the A&M System wide pay plan, pay studies, the integrated Human Resources and payroll system Workday, position descriptions, job titles, title codes, and compensation procedures for all non-faculty positions. The pay plan includes exempt and non-exempt positions. Exempt administrative, professional, and executive positions are not subject to the minimum wage and overtime provisions outlined in the Fair Labor Standards Act (FLSA). The non-exempt positions are eligible for minimum wage rates and overtime under FLSA provisions.
- 1.1.3 The Director of Human Resources will be a member of the A&M System wide Pay Plan Committee and will monitor the pay plan and related documents defining job titles, title codes, pay grades, and salary ranges for both exempt and non-exempt employees. Positions are evaluated and classified based on information contained in each position description (PD) and then assigned to the appropriate pay grade. With the exception of the senior level administrative positions, each pay grade contains a salary range with a minimum, midpoint and maximum rate of pay.
- 1.1.4 Conduct pay studies at the request of the position's department head. If one or more these conditions exist:
  - For new positions (under study) without a pre-approved salary.
  - Where there is a significant pay disparity for a like position in a similarly situated institution within the A&M System.
  - Where pay compression results from a reorganization or addition of new positions.
  - Prior to approval of a reclassification.
  - Prior to an internal reorganization or where there has been a significant change in major job duties or supervisory responsibility.
- 1.1.5 Review, approve and audit position descriptions.
- 1.1.6 Review and communicate all non-faculty job offers for internal and external hires.
- 1.1.7 Review promotions, demotions and reclassifications for completeness and correctness.
- 1.1.8 Will coordinate bi-weekly and monthly system data with Texas A&M University through the Payroll Specialist II position. This position performs a variety of payroll services such as processing new hire entries into Workday, Monthly Supplemental forms, stipends, overloads and production of payroll

calendars. This position will also respond to pay inquiries and handle special projects as needed.

1.2 Department heads will:

- 1.2.1 Prepare job descriptions, position requisitions, position reclassifications, stipends and other salary related actions.
- 1.2.2 Consult with the Office of Human Resources prior to reorganizations or personnel actions that affect their employees.
- 1.2.3 Use the existing HRIS system (Workday) to initiate and to track salary related personnel actions.
- 1.2.4 Submit requests for non-faculty job offers.

1.3 College Deans may negotiate salary and other conditions of employment such as tenure and promotion in coordination with the Office of the Provost and Vice President of Academic and Student Affairs and the Office of Human Resources. The College Dean will communicate the final job offer following a standard letter template that has been approved by the Office of the Provost. Other conditions such as moving expenses, changes in workload and working conditions must be included in the final job offer letter and reviewed by both the Provost and the Vice President for Academic and Student Affairs and the Office of Human Resources before being sent to the candidate.

2. STARTING PAY:

- 2.1 The starting pay for new employees will normally be the minimum rate established for the position in the System wide Pay Plan.
- 2.2 The Provost and VPASA and the VPFSA must approve initial salary requests not to exceed 10 percent above the minimum established rate for the position provided the following conditions are met:
  - The initial salary does not exceed the budgetary limit for the position.
  - The selected applicant qualifications exceed the minimum for the position.
  - The requested amount does not lead to pay compression with the position's supervisor.
  - There is a written justification.
- 2.3 Requests exceeding 10% above the minimum shall be submitted by memorandum through administrative channels to the President for approval.
- 2.4 To avoid any unnecessary delays, the department head is encouraged to contact the Director of Human Resources prior to seeking the approval of a Vice President for a salary offer above the position minimum. The Director of Human Resources will

review the offer to ensure it is equitable and comparable, especially where several positions within one title exist.

- 2.5 In rare situations where departments must hire applicants who do not meet the minimum requirements for the position, a department may hire below the minimum salary for a period of six months. Following the candidate's first six months of employment with A&M-Central Texas, the salary should be adjusted to the minimum pay rate for the position if the employee is performing at satisfactory levels. Before a salary offer below the posted minimum for a position may be extended, it must be approved by the Director of Human Resources.

### 3. PROMOTIONS AND RECLASSIFICATIONS

- 3.1 Current employees recommended for promotion/reclassification must possess minimum qualifications for the new position.
- 3.2 A current performance evaluation must be on file for an employee to be promoted or reclassified. The new salary rate of the employee will normally be the minimum of the positions assigned salary range. If the Department Head would like to request above the minimum of the positions assigned salary range a memo of justification will be required. The salary for a promoted or reclassified employee must be approved by the Provost and VPASA and the VPFA and depending on the position, the President.
- 3.3 Early coordination with the Director of Human Resources is encouraged when considering a promotion or reclassification.
- 3.4 Job reclassifications are used to realign positions as part of a structural organizational change and cannot be used for promotion or higher salary unless there has been a significant change in major job duties (i.e., the addition of three or more major job duties or a 40% increase in job duties) or supervisory responsibilities. In all cases the position being reclassified (the previous position) will be removed from the departments budget.

### 4. DEMOTIONS

- 4.1 Salary adjustments may be made for a demotion resulting from an employee transferring to another position or an A&M-Central Texas administrative action with the approval of the Provost and VPASA or the VPFA. Demotions as a result of disciplinary actions must follow System Regulation 32.02.02, *Discipline and Dismissal Procedure for Non Faculty*.
- 4.2 The salary rate for the new position is the minimum pay rate as shown in the A&M System Wide Pay Plan.
- 4.3 All other recommendations shall be submitted by memorandum through administrative channels to the VPASA or the VPFA. Demotions as a result of disciplinary action must

be approved by the President.

## 5. NEW POSITIONS

5.1 New positions are normally approved through the budget process.

5.2 The recommendation for the salary for new positions is determined by the A&M system wide Pay Plan Administrator Generally, a position is assigned to the pay grade where the minimum of the pay grade most approximates the average, relevant local market level structure.

5.3 Out of cycle requests for new positions must be approved by the VPFA and the President.

## 6. OTHER SALARY ACTIONS

6.1 Merit Pay Increases: See A&M-Central Texas Rule 31.01.08.D1

6.2 A One Time Merit Payment: See A&M-Central Texas Rule 31.01.08.D1

6.3 Interim Pay/Temporary Salary Increase: An increase to compensate an employee who assumes temporary additional and/or higher level of responsibilities. The period for the interim position is normally six months or less. The approval process is the same as promotions.

6.4 Increase Due to Change in Pay Plan Structure: An increase that occurs when market conditions or changes in applicable laws dictate the adjustment of the pay grade or pay grade range.

6.5 Equity Increase: A salary increase meant to address salary differences not otherwise justified between comparable positions.

6.6 Market Increase: An increase due to external pressure in high demand areas, or other forces which may be beyond the control of the university departments.

## 7. TIMING OF SALARY INCREASES/DECREASES

7.1 Salary increases/decreases are normally effective the first day of the month following final approval.

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## Related Statutes, Policies, or Requirements

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System Policy [31.01 Compensation](#)

System Regulation [31.01.01 Compensation Administration](#)

System Regulation: [32.02.02 Discipline and Dismissal for Nonfaculty Employees](#)  
University Rule: [31.01.01.D1 Compensation Administration](#)  
University Rule [31.01.08.D1 Merit Pay Increases](#)

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## **Contact Office**

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