COMPENSATION 101

Removing the mystery surrounding pay
HISTORY

2006
Implementation of University Staff

2008
University Staff Policies & Election Process

2013/14
Development & Implementation of University Staff Job Structure
Slotting of Jobs
# Foundation of Compensation

## Classified
- DHRM Human Resources Compensation Policies 3.05-3.15
- State Salary Structure
- Pay Practices/Non-Base Pay Options Chart

## University Staff
- HRM-024 Compensation Program for University Staff Employees
- Market Ranges
- Reward and Recognition Programs
EXEMPTION UNDER THE FEDERAL FAIR LABOR STANDARDS ACT (FLSA)

**Exempt**

- Employees in these types of jobs are **not** subject to Minimum wage, Overtime, and Time-keeping requirements of the Act
- Exempt positions have executive, administrative, or professional responsibilities requiring significant professional and advanced knowledge in a particular area; a primary duty of management, regularly exercising discretion and judgment, customarily and regularly direct the work of two or more other employees; and have authority to hire or fire or may make suggestions and status for other employees

**Non-Exempt**

- Employees in these types of jobs are **subject to** Minimum wage, Overtime, and Time-keeping requirements of the Act
- Positions are entitled to minimum wage provisions, overtime pay, and must (by law) maintain accurate records of the hours they work in a day

*Employees may check their timesheet if they are unsure of their current status or contact HR service center*
COMPENSATION

- New Hire or Job Change
- Market Range/Compensable Factors
COMPETITIVE STARTING PAY

New hire (External) or Job Change (Internal promotion or transfer)
MARKET RANGES

- Developed from multiple survey sources
- Relevant Sectors/Geographical areas
- Similar positions share a common market range/UVA job title
COMPENSATION FACTORS

- Qualifications (education, experience, unique skills)
- Job content (level of decision making, autonomy, responsibility)
- Employee’s pay relative to similarly situated positions
- Pay history
- Position of the employee’s current pay in the market range
- Individual performance contributions/evaluations
Compensation

Starting Pay
- New Hire or Job Change
- Market Range/Compensable Factors

Base Pay
- Merit
- Off-cycle Pay Adjustments
- Supplemental Pay
MERIT (ANNUAL CYCLE)

Definition: Base pay adjustment based upon an employee’s overall performance evaluation.

- The University’s Board of Visitors reviews and approves a merit increase budget recommendation developed by UHR annually;
- Once approved, guidelines for annual merit increase adjustments are distributed to the schools and departments;
- Classified increases are mandated by the state and centrally processed;
- If an employee’s base pay is at or above the upper reference for the pay range, the merit amount may be provided as a one-time payment, rather than as a base pay adjustment, or a combination of both.
2015 Board approved a 1% market increase and a 2% merit pool for Ustaff
OFF-CYCLE PAY ADJUSTMENTS

*Definition:* Base pay adjustment provided to retain employees critical to the work of the University (Equity, Market, Retention, Change in Duties).

- Adjust pay based on holistic approach where multiple factors (including market-based pay range, employee skills and competencies, competitive counter-offers, and performance) are considered in support of a pay increase.
- Significant change in duties.
- Application of new KSAs from education, certification, licensure, etc.
- Career Paths.
- Minimum hiring rate adjustments ($11.30 to $11.53 in 2013, and then $11.76 in 2014 to $12.02 in 2015).
- All Strategic Compensation adjustments must have the approval of the appropriate Vice President or Dean.
Off-cycle pay adjustments processed during the 2015 merit exercise in Lead@ system

<table>
<thead>
<tr>
<th>Category</th>
<th># Receiving Increase</th>
<th>Average % Increase</th>
<th>Average Increase</th>
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<tbody>
<tr>
<td>Changes in Duties</td>
<td>48</td>
<td>5.49%</td>
<td>$2,486</td>
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<tr>
<td>Market</td>
<td>19</td>
<td>4.11%</td>
<td>$2,297</td>
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<tr>
<td>Internal Equity</td>
<td>18</td>
<td>4.24%</td>
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<tr>
<td>Retention</td>
<td>28</td>
<td>3.05%</td>
<td>$1,811</td>
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<tr>
<td>Career Development/Other</td>
<td>6</td>
<td>3.10%</td>
<td>$2,323</td>
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<tr>
<td>Total</td>
<td>119</td>
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</table>
Definition: Supplement to base pay to address temporary or business-driven compensation concerns.

- Temporary/Acting Pay: Management-initiated temporary supplemental adjustment to an employee’s pay for assuming new duties and responsibilities on an interim basis

- Differential Pay: Reflects specified job conditions (shift, hazards, etc) and/or makes salaries competitive with the market. Differentials may be applied to jobs, geographic locations, or individual positions in the University

- Must have the approval of the appropriate Vice President or Dean
COMPENSATION

Starting Pay
• New Hire or Job Change
• Market Range/Compensable Factors

Base Pay
• Merit
• Off-cycle Pay Adjustment
• Supplemental Pay

Variable Pay
• Bonuses: Performance or Project Based
BONUSES

- Schools/units fund and provide bonuses to recognize contribution, achievement of significant performance milestones, and/or address specific organizational needs.

- Non-monetary awards or leave (up to 5 days per calendar year) can be provided in recognition of teamwork, special project completion, identification/implementation of new or modified business practices, exemplary effort, and employee appreciation.

- Types: Reward & Recognition, Referral, Project, Retention, Sign-on

- Bonus amounts are at the discretion of the School or Department, but are limited to the maximums set forth in the policy; $2,000 (Reward and Recognition) for Classified/ $3,000 or 10% of salary, whichever is greater for University Staff.
COMPENSATION RESOURCES

- DHRM for Classified Staff (www.dhrm.virginia.gov)
- Compensation Policy (HRM-024) University Staff (http://uvapolicy.virginia.edu/policy/HRM-024)
- UVA Job Structure (www.hr.virginia.edu/job)
  - Title Summary Tool
  - Title Summary Comparison Tool
  - Career Development Compass
- Total Compensation Statement in Benefits@ (www.hr.virginia.edu)
- “Competitive Compensation Issues” (www.virginia.edu/wages)
QUESTIONS?