

University of Richmond

Compensation Administration

INTRODUCTION

This Plan outlines how the University of Richmond will implement the position evaluation and compensation components of the Total Compensation Philosophy for classified positions - full and part-time. This Plan serves as the foundation for ensuring consistent application of compensation administration decisions.

COMPENSATION PHILOSOPHY

In order to fulfill its mission the University of Richmond shall maintain a compensation program directed toward attracting, retaining and rewarding a highly qualified and diverse workforce to serve students, faculty and staff. Employee compensation shall be internally equitable and externally competitive, and shall be based upon performance as recognized within the work unit.

COMPENSATION OBJECTIVES AT THE UNIVERSITY OF RICHMOND

- **Maintain internal equity** - Within the parameters of discipline, function, and responsibilities, employees shall be paid similarly for similar work;
- **Maintain external competitiveness** through a salary structure that is based on the competitive markets for benchmarked positions.
 - For higher education related positions, this market is based on salaries at our peer institutions. Currently our peers are Bucknell University, Colgate University, Dartmouth College, Davidson College, Furman University, Princeton, University, Rice University, Wake Forest University, Washington and Lee University and Wesleyan University.
 - For all other staff positions, the market is based on the local, regional, and/or national markets, depending on the position.
- **Support the compensation philosophy:**
 - Conduct salary reviews on a regular and consistent basis in order to determine current market related data so as to maintain external equity.
 - Establish salaries for new employees at levels that recognize the individual's skills and experience while considering the salary levels of current employees within the same position or role.
 - Base salary increase decisions on recognizing performance, retaining our best employees, maintaining market alignment and supporting internal equity.
 - Create compensation structures and strategies that respond to and support organization priorities, changes, and needs.

COMPENSATION ADMINISTRATION

Salary Structure

All classified positions fall within a ten grade salary structure. The salary structure will be reviewed annually to ensure market competitiveness.

Unless there are documented performance reasons, no employee will be paid below the minimum of the pay grade assigned to his/her position.

Annual salary increases are based on performance as measured in the work unit. It is expected that as a result of solid performance, employees will progress through the pay grade over time. All employees are eligible for an annual performance based increase.

Position Evaluation

Position evaluation includes but is not limited to the following parameters:

- Regular, periodic review of all positions to ensure changes in work assignments are reflected in the position descriptions.
- Review of positions which have undergone significant changes.
- Review for appropriate classification prior to recruitment when a vacancy occurs.
- Positions reviewed for appropriate classification or pay grade may:
 - Maintain the same position title and pay grade
 - Be re-classified to a different title within the same pay grade
 - Be re-classified to either a higher or lower pay grade.
- In reviewing positions, Human Resource Services will analyze positions based on the following factors:
 - Complexity of work performed
 - Decision-making and impact (Level and independence of decision making)
 - Interpersonal requirements (who the position interacts with outside the normal work group, as well as the purpose of that interaction)
 - Supervision and management (what types and levels of positions are supervised and what supervisory functions are performed)
 - Combination of education, knowledge, skills, certifications, licenses, abilities, and experience necessary to perform the assigned work
 - Comparison of these factors with other positions at the University of Richmond.

RESPONSIBILITIES FOR MAINTAINING THE PLAN

Human Resource Services

- Administering and interpreting compensation philosophy and policies.
- Reviewing all pay adjustments based on internal equity and external market studies.
- Monitoring and evaluating compensation administration practices to ensure adherence to Federal and State laws/regulations and University of Richmond compensation philosophy.
- Partnering with managers and supervisors to provide information and training to employees.
- Recommending starting salaries in consultation with the hiring department.
- Developing and delivering management reports on salary actions.

Supervisors

- Consult with HR in the planning stages of organizational changes which have the potential to impact classification and/or compensation of current employees.
- Partner with HR to provide information and training for employees concerning the University's Compensation Administration Plan.
- Assure that pay action requests can be supported by adequate funding.
- Recommend starting salary and other related costs such as moving, relocation or other special terms of employment to HR and provide appropriate justification(s).
- Recommend pay actions to upper management.
- Gather and retain information to support pay actions.

Employees

- Participate in HR training regarding compensation and classification to acquire a general knowledge of compensation administration at the University of Richmond.
- Notify supervisor of significant changes to position duties, if they are not already aware of these changes.

PAY PRACTICES

The following factors will be used to determine employee salaries:

Starting Pay

Starting pay is the starting salary for an individual not currently employed by the University. A new employee will normally receive the minimum level assigned to the position grade. However, if an employee has experience which is directly related and can be used immediately upon hire, the pay rate at hire may be established above the minimum but may not exceed the midpoint

- The hiring supervisor must present written justification to HR for a starting salary above the pay grade minimum. This justification must show what combination of position related experience, knowledge, skills, competencies, or other factors support the recommended starting salary.
- Human Resource Services will review the justification and consider the impact of the request on internal equity.
- Human Resource Services will make the final determination on the salary and other related costs and make the offer to the candidate.

Promotion

A promotion is, most typically, the movement of an employee to a different position in a higher pay grade. This movement is the result of the employee applying for and being selected for a position through the recruitment and selection process.

The employee's salary is negotiable up to 10% above current salary. However, the new salary may not be below the minimum of the new pay grade.

Additionally, a promotion may occur when an employee moves to a different position within the same pay grade. In this case the salary increase guidelines shown in the In-Grade Adjustment section will apply.

The hiring supervisor will work with the Human Resource Services to determine the appropriate promotional increase **before** the offer is made or **before** potential pay is discussed with the employee. Once an increase has been determined, and approved by Human Resource Services, the hiring supervisor must obtain approval from the appropriate Vice President, the Provost or the Athletic Director.

Reclassification

Reclassification is a non-competitive action where the duties and responsibilities of a position change significantly enough to change the Grade to which that position is assigned. Human Resource Services may determine the new classification/title through individual position audits, department position audits, or University-wide classification studies. Salary increases will be administered as follows:

Upward reclassification: Up to a 10% increase or to the minimum of the new pay grade, whichever is greater.

Downward reclassification: No change in salary

Supervisors **must** consult with the Human Resource Services to determine the appropriate increase (if any). Requests for position audits may be submitted to Human Resource Services at any time.

In-Grade Adjustments

An in-grade adjustment is an adjustment to an employee's base salary based on

- A permanent change in position duties and responsibilities that do not impact the pay grade of the position.
- Market equity (i.e., responding to salary market changes or labor market fluctuations)
- Internal equity (i.e. internal alignment, salary compression or other internal inequities.)

Supervisors may request consideration for in-grade adjustments by submitting documentation supporting the request. Human Resource Services may also identify the need for equity adjustments based on market or internal salary studies.

Salary increases resulting from a permanent change in duties and responsibilities may be up to 5%. Salary increases resulting from equity studies will be based on market data, not to exceed 10% or the maximum of the grade.

Supervisors should **NOT** communicate to the employee that an equity adjustment request has been made until that request has been approved.

Lateral Transfers

A transfer occurs when an employee moves to a similar position in the same pay grade. Transfers may occur through department reorganizations or the employee may seek a transfer through the recruitment and selection process. Typically, employees who transfer receive no increase in base pay. The decision to increase pay in conjunction with a transfer will be made on a case by case basis, will involve consultation with Human Resource Services and will not exceed 5%.

Demotions

A voluntary demotion occurs when an employee voluntarily moves to a different position in a lower pay grade through the recruitment and selection process or through non-competitive means. The employee's salary is negotiable up to the midpoint of the new pay grade.

An involuntary demotion is the movement of an employee to a different position in a lower pay grade, with reduced duties and responsibilities. Involuntary demotions may occur

- Because an employee is not able to perform the duties in his/her current position, or
- As a result of improper conduct.

In either case, there must be documentation of a progressive disciplinary process before an involuntary demotion is considered. The employee's salary may be reduced but not below the pay grade minimum. Supervisors should consult with the Human Resource Services to determine the appropriate salary reduction in accordance with this Plan.

Supplemental Pay

Supplemental pay is additional pay for assuming temporary new duties/responsibilities in either the same or a higher pay grade.

Supplemental pay can be provided to an employee who is assigned different or additional duties and responsibilities on an interim basis for a limited period of time (i.e. assignment to a special project, reassignment during organizational changes, filling a vacant position, extended leave of another employee, etc.) Supplemental pay **must** be approved in advance by Human Resource Services.

Supervisors must consult with Human Resource Services to determine the appropriate amount of supplemental pay. Supplemental pay should not be discussed with the employee until **after** appropriate approvals have been received.

Appendix I:

Definitions:

- **Position Evaluation:** The examination of a position or group of positions through review of Position Descriptions, audits of the positions, and/or meetings with employees and/or managers to determine the nature and extent of work performed.
- **Classification:** The placement of a position into the most appropriate title and the appropriate pay grade within the Salary Structure.
- **Compensation:** The salary or wage paid to the incumbent of a position.
- **Total Compensation:** The combination of financial rewards, fringe benefits, leave programs, and intangible benefits such as family friendly work life balance, professional development activities, and tuition remission and exchange that make up employment at the University of Richmond