

# WAYNE STATE UNIVERSITY

## COMPENSATION GUIDELINES for the Non-Represented A/P Merit Program

### Purpose

The following Compensation Guidelines are intended to provide a framework for the administration of compensation for non-represented staff employees by describing typical salary transactions and clarification of who has authority to approve salary changes.

This program covers the following employee groups: Executives (EX), Management (MA), Non-Represented Exempt (NE), Non-Represented Non-Exempt (NN), and Non-Represented Clerical (NC) employees.

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### **DISCLAIMER**

This document is intended as a summary of the program features. It is not intended to and does not create an express implied contract of employment. It does not contain any promises by the University and the University is not legally or otherwise bound by it. Wayne State University reserves the right to amend, modify, or terminate this program at any time and in any manner.

-----This is a summary only, not a legal document -----

## **Compensation Philosophy**

The Wayne State University Non-Represented A/P Merit Program is designed to achieve the following objectives:

- To support University mission and goals.
- To deliver market competitive compensation to attract, retain, and motivate a high performing workforce.
- To utilize a total rewards approach to ensure that our combined compensation and benefits programs are positioned appropriately to the market.
- To provide a compensation program that is flexible and fiscally responsible.
- To provide its employees with compensation guidelines which are clear and easy to administer.
- To monitor and incorporate market practices.
- To ensure that managers conduct regular performance reviews and administer merit salary increases to promote the linkage between pay and performance.

## **Program Elements**

The key terms used in this document include:

**Salary Structure** is a set of salary bands that encompass the competitive salary rates in the marketplace. Each **Salary Band** is defined by minimum, midpoint and maximum dollar value (formerly called salary grade). Under the new broader band structure, **inraband reporting** is prohibited (i.e., managers and their subordinates in the same reporting line should not be in the same salary band).

**Job** is a collection of tasks, functions and responsibilities that an employee is responsible to conduct. Each **Job Title** captures a unique job role and has a corresponding **Job Description**. Jobs that have multiple incumbents doing very similar roles (i.e., occupation) will have the same job title and job description.

**Position** is a job assigned a specific position number, typically occupied by a single individual.

## **Responsibilities**

The **Executive of School, College or Division (S/C/D)**, is the top leadership position in the S/C/D ("Unit"), who has the authority to approve all compensation transactions covered by these Guidelines.

This role is typically a Vice President, Associate/Assistant Vice President, or Dean, except that such person may delegate authority on compensation matters to another Executive in his/her Unit. **Presidential approval may be required for certain compensation actions, as specified in the detailed sections of these Guidelines.**

The Unit has the authority and responsibility to:

- Review and approve compensation decisions (i.e., new hire offers, promotions/demotions, transfers, etc.) in his/her Unit.
- Ensure that all managers maintain a thorough knowledge of the compensation guidelines so all managers can uniformly and consistently administer the program in his/her Unit.
- Consult with Human Resources on compensation matters as appropriate.
- Ensure that their managers conduct regular performance reviews and link compensation decisions to employee performance.
- Ensure that all employees in their Unit have a current and accurate job description by implementing regular updating of all job descriptions, at least annually.
- Address internal equity concerns or individual employee questions over compensation in his/her Unit.

The **Total Compensation and Wellness (TCW) Department** responsibilities will include:

- **Salary Planning & Program Development**
  - Design compensation program elements, especially base salary and variable pay
  - Prepare recommendations for changes in compensation administration
- **Salary Structure Development**
  - Recommend annual salary band structure and merit budgets
  - Analyze jobs and their salary bands periodically to confirm competitiveness
  - Review organizational structure to ensure no intraband reporting, (i.e., managers and their subordinates in the same reporting line should not be in the same salary band).
- **New Job Creation/Market Reviews**
  - Analyze and evaluate new jobs or jobs that have changed
  - Assist Units with development of job descriptions
  - Conduct market pricing or slotting to place jobs into the salary band hierarchy
- **Consult with Management**
  - Consult with University Units to assist them in making sound compensation decisions
  - Develop and administer Compensation Guidelines
  - Work with University Units to ensure that compensation guidelines are utilized
  - Review exceptions to compensation guidelines and provide guidance to management
  - Monitor and report on salary transactions in the various Units.

### New Hire Salary Offers

- A **new hire salary offer** is defined as the salary offered by the University to a new Non-Represented employee.
- The starting pay should be based on market data and:
  - within a range equivalent to +/- 20% of the market rate of pay
  - based on the candidate's experience and skills or competencies
  - must be between the minimum and the maximum of the job's salary band
- Upon request, TCW will determine a reasonable range of pay for the new hire offer. The job posting should include the reasonable range of pay.
- TCW will work with the Unit and the Employment Services Center to ensure that job postings reflect the defined market-based salary range.
- The decision about the amount of new hire salary offer must be approved by the Executive of the S/C/D based on available funding within the Unit's budget.
- **The University does not permit sign-on bonuses for new hires.**

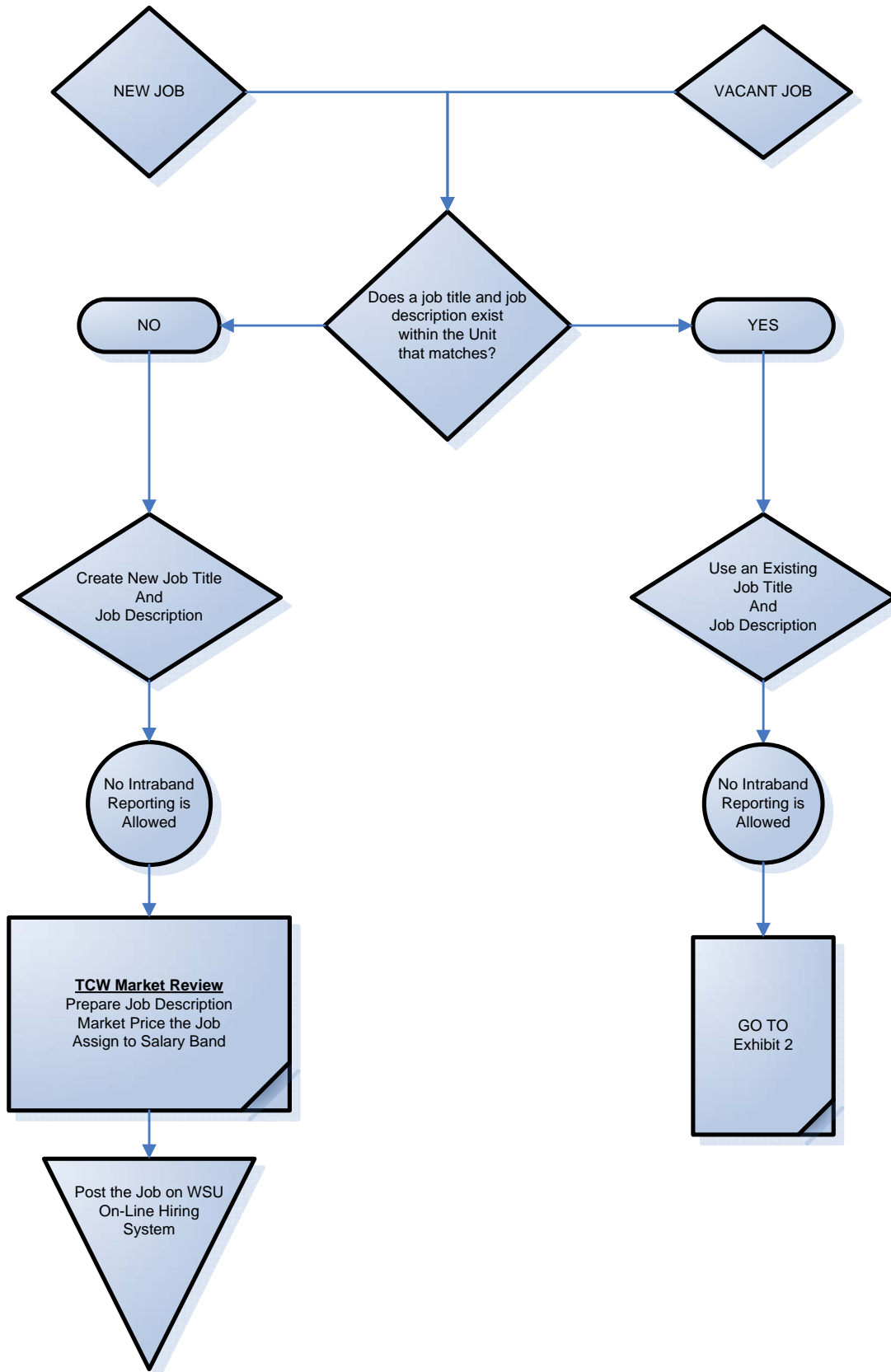
### Annual Merit Increase

- A **merit increase** is defined as an increase to an employee's base salary which reflects the individuals' performance, or "merit".
- A common annual increase date is utilized for all Non-Represented employees; however, such annual salary adjustments are not automatic.
- The amount of an employee's annual merit increase depends on the overall merit budget and the individual's performance review rating.
- If an employee is close to the salary band maximum, he/she may receive a partial merit increase which adjusts the base salary to the salary band maximum. Any remaining merit increase, which would cause the base salary to exceed the salary band maximum, will be paid as a merit lump sum payment amount (which is eligible for retirement contributions).
- **The annual merit increase percentage must be allocated proportionately to base salary and attachment.**
- **Presidential approval is required for any proposed annual merit increase which exceeds 10%.**

### Vacant and New Jobs (See EXHIBIT 1)

- A **vacant job** is defined as a job with a prior incumbent and a **new job** is defined as a job with no prior incumbent.
- The Unit should explore whether a job title and job description exists in the Unit that sufficiently matches the duties and qualifications needed by the hiring Unit.
- TCW will work with the Unit and the Employment Services Center to determine whether a new job is properly characterized as "Non-Represented" before any internal promotion or external job posting.
- If a job title and job description DOES exist within the Unit, then the Unit may **promote** or **transfer** an employee from within that Unit or may **post** the position.
- If a job title and job description DOES NOT exist within the Unit, then the Unit will develop a Job Description and TCW will conduct a **Market Review**. Upon approval by TCW to establish the job title within the Unit, the position must be posted.

**EXHIBIT 1**  
**Action Steps for New or Vacant Jobs**



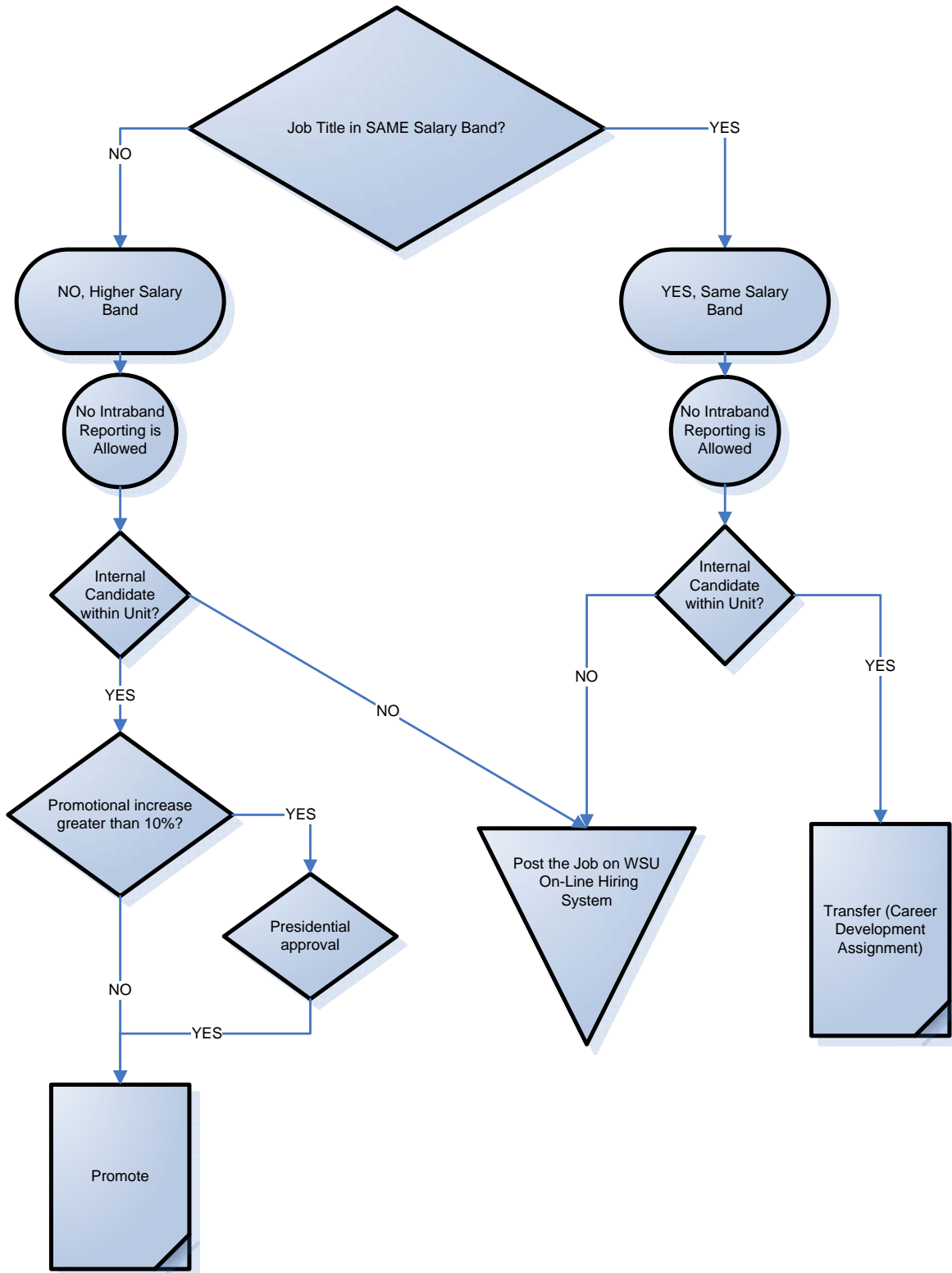
## Promotions and Demotions

- A **promotion** is defined as a move to a job title in a higher salary band and is subject to the following guidelines:
  - A promotional salary increase is typically 10% of base pay (or up to 15% if the promotion involves a move across 2 or more salary bands).
  - In no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the new job.
  - A promotional salary increase shall be effective on the date the new job duties begin.
  - An employee can only be promoted once in a twelve (12) month period, unless the promotion results from bidding on a posted job.
  - A promotion must be supported by evidence such as assuming greater responsibility or moving to a job with a larger scope; taking on new responsibilities that require higher skills or competencies, etc.
  - **Presidential approval is required for any proposed promotion or temporary promotion amount that exceeds the 10% (single band) or 15% (multiple bands).**
- A **temporary promotion** (formerly called "temporary reclassification" or "interim assignment") is defined as a promotion where the employee assumes the FULL duties of another job in a higher salary band and is subject to the following guidelines:
  - The assignment is for a temporary time period (i.e., for a period of greater than one (1) month but less than one (1) year).
  - The employee may receive a promotional salary increase (see above).
  - Upon return to the regular original job, the promotional salary increase shall be removed.
- A **demotion** is defined as a voluntary or involuntary move to a new job in a lower salary band and is subject to the following guidelines:
  - A demotional salary decrease is typically 10% of base pay (or up to 15% if the demotion involves a move across 2 or more salary bands).
  - In no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the new job.
  - A demotional salary decrease shall be effective on the date the new job duties begin.
  - A demotion must be documented by a written rationale which is signed by the Executive of the S/C/D (a copy must be sent to TCW).
  - **Presidential approval is required for any proposed demotion amount that exceeds the 10% (single band) or 15% (multiple bands).**
- A promotion, temporary promotion, or demotion must not result in intraband reporting (i.e., managers and their subordinates in the same reporting line should not be in the same salary band).
- A promotion, temporary promotion, or demotion must be documented by completion of a **Promotion/Demotion Form** which is signed by the Executive of the S/C/D (a copy must be sent to TCW).
- The decision to extend the term of a temporary promotion must be approved by the Executive of the S/C/D and appropriate funding must be available within the Unit's budget.

## Transfers and Career Developmental Assignment (See EXHIBIT 2)

- A **transfer** is defined as a move from one job title to another job title where both job titles are within the same salary band, and includes 2 types:
  - An **external transfer** - a transfer between Units and generally occurs when an employee responds to a job posting for another Unit on the WSU on-line hiring system.
  - An **internal transfer** - a transfer to a job within the same Unit.
- If an employee requests a transfer by responding to a job posting or makes a lateral move within the same Unit, there will be no salary change.
- If an employee is selected for a lateral internal transfer by a Unit, this type of transfer is defined as a **career developmental assignment** and is subject to the following guidelines:
  - The internal transfer must be initiated by the Unit; and
  - The assignment is likely to further develop the skills and expertise of the employee and is designed to meet Unit needs; and
  - The assignment is for a period of greater than six (6) months but less than two (2) years; and
  - The employee may receive a career development assignment salary increase of up to 5%; and
  - Upon return to the regular original job, the career developmental assignment salary increase is not removed.
- An internal transfer which is a **career development assignment** must be documented by a written rationale providing the reasons for the action by completion of a **Transfer Form** which is signed by the Executive of the S/C/D (a copy must be sent to TCW).
- **Presidential approval is required for any proposed career developmental assignment increase which exceeds 5%.**
- The decision to extend a **career development assignment**, and whether it warrants any salary increase, must be approved by the Executive of the S/C/D and appropriate funding must be available within the Unit's budget.

## Exhibit 2 Action Steps for Promotion or Transfer



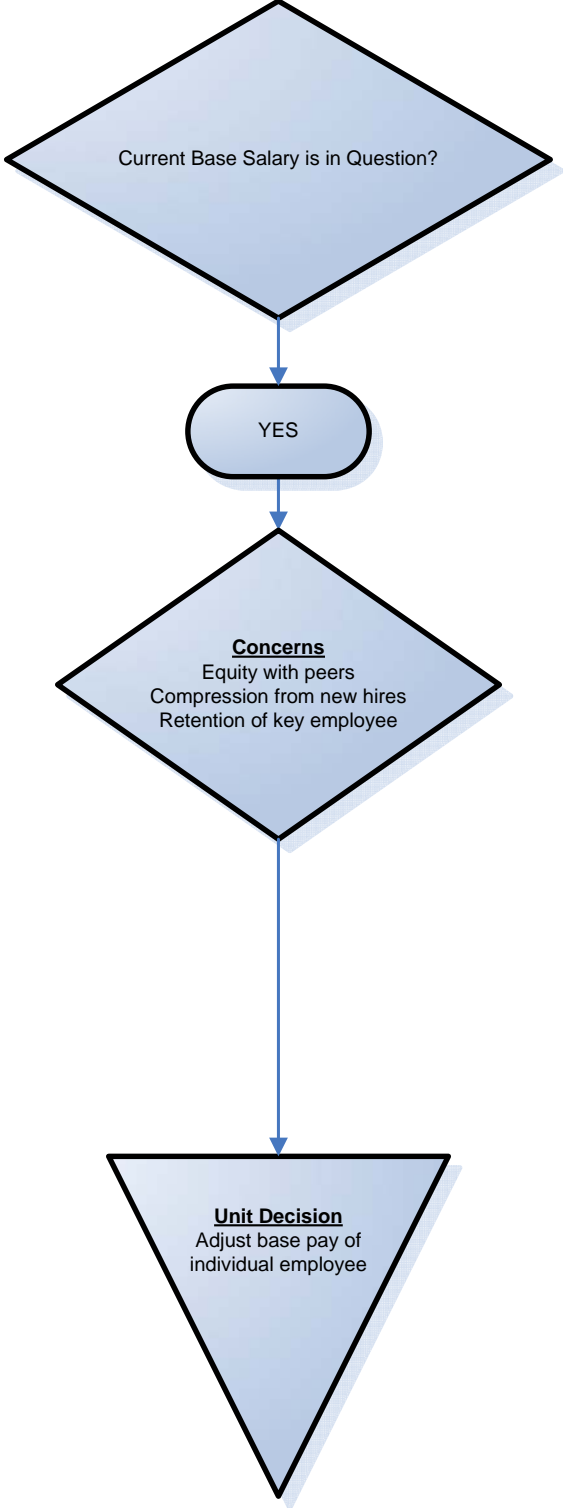
### **Salary Equity Adjustments (See EXHIBIT 3)**

- A **salary equity adjustment** is defined as a one-time base salary increase (or decrease) for an individual employee.
- A salary equity adjustment increase is limited to 10% of the employee's base pay, but in no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the job.
- A salary equity adjustment is limited to once per fiscal year for any single employee.
- Upon request, TCW will determine a reasonable range that represents the market rate of pay, considering the experience and performance of the employee.
- A salary equity adjustment may be provided for business reasons including, but not limited to: to ensure equity with peers, to resolve a compression problem resulting from a new hire, or to retain a key employee.
- A salary equity adjustment must be documented by completion of a **Salary Equity Adjustment Form** which is signed by the Executive of the S/C/D (a copy must be sent to TCW).
- **Presidential approval is required for any proposed salary equity adjustment increase which exceeds 10%.**

### **Market Reviews**

- A **market review** is defined as a study by TCW to identify the market rate of pay for a new job and to determine the appropriate salary band assignment for a job.
- TCW will conduct a Market Review for new jobs, including assisting the Unit develop a job description, market pricing the job, and determining the salary band.
- TCW will periodically review market data for jobs, for the purpose of indentifying any unique and substantial changes in the market supply or demand for particular jobs.
- TCW will refer decisions on pay level for individual employees to the Unit.

**Exhibit 3**  
**Action Steps for Salary Equity Adjustment**

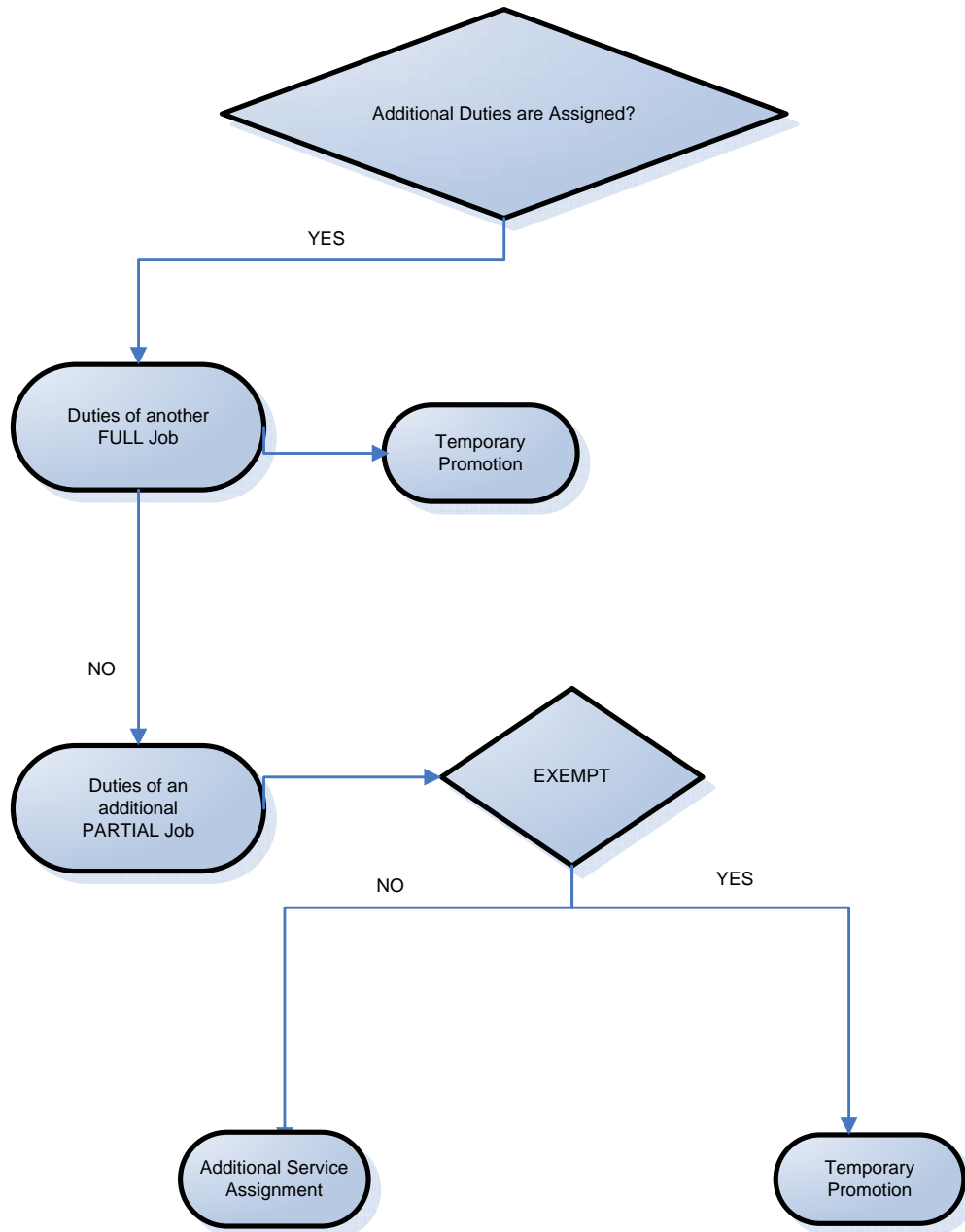


### **Other Compensation Transactions (See EXHIBIT 4)**

The Unit, subject to available funding, will have authority to provide additional compensation for the following situations:

- Assumed FULL duties of another job – The base salary shall be adjusted for the period of the additional duties, but must be approved in advance by the Executive of the S/C/D. **The additional compensation will be paid as a temporary promotion (see above). Attachments will no longer be utilized.**
- Assumed PARTIAL duties of another job – The base salary shall be adjusted for the period of the additional duties.
  - **If the employee is exempt from overtime (Eclass MA or NE), the additional compensation should be paid as a temporary promotion.**
  - **If the employee is not exempt from overtime (Eclass NN or NC), the additional compensation should be paid in accordance with the additional service assignment provisions of APPM Section 3.3.1 , subject to the following guidelines:**
    - o The duties are in addition to the individual's first or regular assignment.
    - o The **additional service assignment** requires prior approval by the Executive of the S/C/D for the Unit where the employee is regularly assigned (home Unit) and the Executive of the S/C/D for the Unit where the work will be performed.
    - o The **additional service assignment** generally should not exceed 25% of the individual's regular salary for the same period of service in his/her home Unit.
    - o The additional service assignment will be eligible for overtime compensation in accordance with wage and hour laws.
    - o The employee's rate of pay for the **additional service assignment** should reflect the market rate of pay.
    - o Upon request, TCW will determine a reasonable range that represents the market rate of pay.
    - o TCW will work with the Unit and the Employment Services Center to ensure that additional service assignments are paid at the defined market-based rate of pay.
    - o Full and part-time employees with a regular WSU assignment cannot be hired as a temporary employee (formerly called "Technician") – see APPM 3.2.3.
- **Any employee with an attachment on July 17, 2009 can retain their attachment, on a grandfathered basis, until their additional duties end.**

# Exhibit 4 Other Compensation Transactions



YES