

**Compensation**

December 2018

**I. Summary**

Local guidance on Personnel Policies for Staff Members (PPSM) 30: Compensation is to ensure the campus community is aware of the local guidance on compensation matters.

**II. Related Policies and References**

- A. [PPSM-30: Compensation](#)
- B. [PPSM-2: Definition of Terms](#)
- C. [PPSM-12: Nondiscrimination in Employment](#)
- D. [PPSM-21: Appointment](#)
- E. [PPSM-23: Performance Management](#)
- F. [PPSM-34: Incentive and Recognition Award Plans - Managers & Senior Professionals and Professional & Support Staff](#)
- G. [PPSM-62: Corrective Action](#)
- H. [PPSM-82: Conflict of Interest](#)

**III. Definitions**

- A. **Represented Positions** – All positions exclusively represented by a union are subject to the provisions of the relevant collective bargaining agreement.
- B. **Promotion** (PPSM-30, III, B, 3, a) – the movement of an employee from one position to another position which has a higher salary range maximum.
- C. **Lateral Transfer** (PPSM-30, III, B, 3, a) – The movement of an employee from one position to another position which has the same salary range maximum.
- D. **Limited Appointment** – A limited appointment is an appointment established at any percentage of time, fixed or variable, during which the appointee is expected to be on pay status for less than 1,000 hours in a 12-month period.
- E. **Reclassification** (PPSM-30, III, B, 3, a) – the movement of an employee's current position to a different classification or salary grade having a higher salary range maximum.
- F. **Demotion** (PPSM-30, III, B, 3, b) – the movement of an employee's current position to a salary grade having a lower salary range maximum.
- G. **Equity Increase** (PPSM-30, III, B, 3, c) - salary adjustment to address a salary inequity that cannot be corrected through a merit or systemwide salary program. This may also exist when there are compression issues between a supervisor and their directly supervised represented employees. Bona-fide retention offers may also be reviewed and considered under this category.

- H. **Administrative Stipend** ([PPSM-30, III, B, 9](#)). A payment provided when an employee is temporarily assigned, for a period of at least 30 working days, responsibilities of a higher level position or other significant duties not part of the employee's regular position.
- I. **Salary Calculator** Estimates placement of incumbent salary along the range for the salary grade associated with their non-represented title code. Education and related work experience beyond that which satisfies the minimum requirement for the title are documented as the basis for salary placement above the minimum salary of the range.
- J. **Systemwide Salary Guidelines** (PPSM-30, III, B, 2, a). For the purposes of this policy, a document issued by the Office of the President that describes the scope, eligibility criteria, amount, and effective date for systemwide salary programs. Systemwide salary programs are granted to eligible employees based upon their job performance or other criteria as defined in the document provided by the Office of the President authorizing the program and in accordance with other local program guidelines.
- K. **Merit Increases** (PPSM-30, III, B, 2, b) are granted to eligible employees based upon their job performance and in accordance with systemwide and local program guidelines.

#### IV. Salary Administration

##### A. Order of Salary Actions ([PPSM-30, III, B, 5](#)).

Positions represented by a bargaining unit are subject to the provisions of their collective bargaining agreement.

##### B. Annual Limit

1. Cumulative fiscal year salary increases above 25% of base pay require review and recommendation by central Human Resources Compensation unit. This includes increases due to promotion, reclassification, equity, lateral transfer, and increases implemented in order to bring an employee's salary to the minimum of the salary range. This limit does not include increases made under a Systemwide Salary Program.
2. Requests must be routed to central Human Resources for review and recommendation in accordance with the organizational unit's internal routing and review procedures. Such requests must include a justification/rationale for the requested increase amount, and include the organizational unit head approval for the proposed increase.
  - › To review the framework needed to establish and maintain fair and equitable salaries, refer to the Salary Placement Guidelines in section VI.
  - › Section VI will also assist managers to document the rationale and articulate the justification for cumulative increases.
  - › A salary calculator and other supporting documentation should be included as appropriate.

##### C. Range Adjustment

UCR utilizes a market based compensation program, Career Tracks. Salary ranges are reviewed annually and are subject to adjustment.

#### V. Salary Action Effective Dates

##### A. New Appointments

The date the incumbent begins performing work in the new appointment.

**B. Non-Exempt Positions**

The biweekly pay period begin date following the date of receipt of the request in Human Resources.

**C. Exempt Positions** The monthly pay period begin date following the date of receipt of the request in Human Resources.

**D. Retroactive Salary Actions** ([PPSM-30, III.6](#))

Salary actions must be implemented according to the following schedule:

- a. MSP whose total cash compensation is greater than the indexed Compensation Level; within 45 calendar days of the action effective date.
- b. All other employees; within six calendar months of the action effective date.

Human Resources is responsible for approving and reporting on all retroactive salary actions that constitute exceptions to policy.

**VI. Salary Placement Guidelines**

Salary Placement Guidelines for non-represented employees are intended to provide managers with the framework they need to establish and maintain fair and equitable salaries. These guidelines apply to placing individuals in career, limited, and contract positions on non-represented PSS and MSP salary ranges. Placement at all levels assumes the individual has met the minimum qualifications for the position.

**1. First Quartile** (from the minimum to the 25<sup>th</sup> percentile):

The first quartile of the range is usually intended for candidates/employees who are new to the grade, are in a learning situation, and/or do not have substantial experience in a similar position.

**2. Second Quartile** (from the 25<sup>th</sup> percentile to the midpoint):

The second quartile of the range is intended for candidates/employees who have gained experience and skill and who are becoming proficient at the level of the position for which they are hired. They generally meet expectations in their positions.

**3. Midpoint** (50<sup>th</sup> percentile):

- a. Represents the market rate for highly qualified candidates/employees with expertise likely requiring only industry-specific and organizational training.
- b. Candidates/employees typically have between 7 to 10 years of directly relevant professional experience in the same or very similar position that require similar skills, effort, scope of duties, responsibilities and authority.

**4. Third Quartile** (from the midpoint to the 75<sup>th</sup> percentile):

- a. The third quartile is typically reserved for highly qualified candidates/employees with exceptional expertise likely requiring only organizational training.
- b. Candidates/employees typically have between 11 to 15 years of directly relevant professional experience, in the same or very similar position that require similar skills,

effort, scope of duties, responsibilities and authority.

5. **Fourth Quartile** (from the 75<sup>th</sup> percentile to the maximum):
  - a. The fourth quartile of the range is reserved for candidates/employees who have exceptional expertise likely requiring only general organizational orientation.
  - b. Candidates/employees typically have 16 or more years of directly relevant professional experience, in the same or very similar position that require similar skills, effort, scope of duties, responsibilities and authority.

## VII. Salary Placement Procedures

Promotional increases and salary offers may require review by Human Resources depending on the size of the salary increase, the cumulative fiscal year increase, and its relation to the salary range midpoint. Promotional increases and salary offers that require Human Resources review and recommendation shall be routed by the organizational unit's designated contact with supporting documentation (current organizational chart, candidate's work history/application etc.) and salary justification to Human Resources using the iReview or iRecruit system.

### 1. Salary Offer for External Hires

Human Resources review and recommendation is required when the proposed salary exceeds 5% of the salary calculator recommendation **and** is above the midpoint of the salary range.

### 2. Salary Offer for Internal UC Hires

Human Resources review and recommendation is required if the proposed salary exceeds 5% of the salary calculator recommendation **and** greater than 15%.

### 3. Lateral Moves

For the lateral move into a competitively recruited position, or for a non-competitive lateral move, a salary increase may be granted up to 5% based on the qualifications of the employee, the requirements of the position, and employee placement in the salary range. Human Resources review and recommendation is required if the proposed salary increase exceeds 5% of base salary. Increases for lateral moves that require Human Resources review and recommendation shall be routed by the organizational unit's designated contact with supporting documentation (current organizational chart, job description, employee's work history/application etc.) and salary justification to Human Resources using the iReview system.

### 4. Demotion

An employee should typically receive a salary decrease upon demotion (i.e., moving to a position with a lower salary grade range maximum). All salary rate changes upon demotion require review and approval by Human Resources.

Requests to maintain employee current salary rate upon demotion shall be routed by the organizational unit's designated contact with supporting documentation (current organization chart, job description, employee's work history/application, etc.) and salary justification to Human Resources using the iReview system.

### 5. Contract Appointment/Extension

Human Resources review and approval is required prior to initiating an employment contract. Employment contract appointments and extensions shall be routed by the organizational unit's designated contact with supporting documentation (job description, current organization chart, etc.) to Human Resources. All salary placement guidelines and procedures apply.

## 6. Limited Appointment

Limited appointment positions must be submitted to Human Resources for classification prior to the hire of a limited appointment employee. Limited appointment positions shall be routed by the organizational unit's designated contact with supporting documentation (job description, current organization chart, etc.) to Human Resources. All salary placement guidelines and procedures apply.

## 7. Equity Salary Action

### a. Annual Equity Call

Salary inequities related to changing external market conditions, and/or internal salary inequity that cannot be managed through the annual merit program are addressed during an Annual Equity Call in the fall. The Annual Equity Call is centrally funded, and the amount is determined each year by the Planning and Budget office. Funds for this program are limited, therefore equity decisions are prioritized based on strategic business needs.

- i. Each year, Human Resources conducts job analysis and provides employee, job and market data to campus organizations to assist them in making strategic equity decisions. Decisions regarding the merit of an equity increase are based on a combination of factors, such as, market data (e.g., compa-ratio), internal equity, relevant experience, sustained high employee performance, and compression issues.
- ii. Organizational units must provide to Human Resources the rationale for each equity request.
- iii. Human Resources reviews, conducts analysis and **approves** submitted equity requests with the goal of ensuring the strategic distribution of limited equity dollars.

### b. Special Off-Cycle Equity Approval Process

#### i. Retention Equity Adjustment

Off-cycle, unplanned equity adjustments may occur due to bona fide retention situations. Retention equity requests are to be submitted directly to Human Resources/Compensation for review and **approval**. Requests shall be routed by the organizational unit's designated contact with supporting documentation (current and new org chart, new job description, and written justification) to Human Resources using the iReview system. Retention equity actions are not centrally funded.

#### ii. Supervisor/Represented Employee Compression

If the salary progression of represented employees results in salary compression where there is less than a 5% differential between a supervisor and directly supervised represented employees, the organizational unit may request that an equity review be considered that is out of cycle from the Annual Equity Call. Approved equity increases due to compression resulting from collective bargaining agreements may be centrally funded. Compression equity requests are to be

submitted directly to Human Resources/Compensation for review and **approval**. Requests shall be routed by the organizational unit's designated contact with supporting documentation (current and new org chart, new job description, and written justification) to Human Resources using the iReview system. All such equity requests are subject to budget constraints.

iii. **Other**

Permanent, unanticipated change in scope of duties, complexity of assignments that have suddenly changed and do not warrant a change in classification. Equity requests are to be submitted directly to Human Resources/Compensation for review and **approval**. Requests shall be routed by the organizational unit's designated contact with supporting documentation (current and new org chart, new job description, and written justification) to Human Resources using the iReview system. Such requests are intended to be rare and will not be centrally funded.

**8. Reclassification Salary Review**

- a. Reclassification salary review requests along with supporting documentation (job description, org chart, salary calculator, etc.) shall be routed to Human Resources via [iReview](#), the online staff reclassification review system.
- b. Human Resources review and recommendation is required if the salary increase is greater than a 5% variance of the salary calculator **and** 15% in total if reclassification results in a promotion. If reclassification results in a lateral change, Human Resources review and recommendation is required if the salary adjustment is beyond 5%. Human Resources must also review and **approve** any salary adjustments where the reclassification results in a demotion.
- c. Reclassifications must be finalized, with all the appropriate approvals, prior to being communicated to the employee and before the action is processed in the payroll system.

**9. Administrative Stipend**

- a. Administrative stipend amounts typically are 5% to 15% of base pay. Administrative stipends are to be administered as a percentage of base salary. The payment of administrative stipends is intended to be temporary and typically should not exceed 12 months.
- b. Requests to extend a stipend more than once or to extend a stipend beyond 24 months constitute exceptions to policy and require Human Resources **approval**. Administrative stipend extension requests shall be routed by the organizational unit's designated contact with supporting documentation (job description, current organization chart, and justification) to Human Resources.

**10. Appeal of a Decision from Human Resources**

- a. Where the organizational unit head disagrees with the salary decision issued by Compensation, the organizational unit may submit new information to Compensation for reevaluation. The request for reevaluation must be received in Compensation within 30 calendar days of the date on which the initial decision was issued. The appeal will be reviewed for reconsideration by the Director of Total Compensation. If the decision to deny the request is upheld the decision will be reviewed by the Associate Vice Chancellor of Human Resources. Human Resources will provide a written response to the appeal.
- b. Should the difference continue, the organizational unit head will justify, in writing, the

basis for their own recommendation to the Vice Chancellor for Business and Administrative Services. Final authority in such cases of difference will rest with the Vice Chancellor for Business & Administrative Services.

#### **VIII. Merit Increases (PPSM-30, III, B, 2, a & b)**

- A.** Local guidelines are provided by Human Resources in accordance with PPSM-30 and system wide guidelines.
- B.** Limited appointments may receive a within-range increase. Eligibility is based on 12 months on pay status from the date of hire or 12 months from the last within-range increase. The required months on pay status need not be continuous provided there is no break in service. A written performance appraisal with a rating of satisfactory or better must be completed by the supervisor. Campus merit rating distribution guidelines must be followed.
- C.** Casual-restricted appointments may receive a within-range increase of up to \$.75 per hour, once during a fiscal year after the completion of at least two quarters in the department. A written performance appraisal with a rating of satisfactory or better must be completed by the supervisor.
- D.** Contract appointments may be eligible for merit increases based on the provisions of their contracts. A written performance appraisal with a rating of satisfactory or better must be completed by the supervisor. Campus merit rating distribution guidelines must be followed.

#### **IX. Responsibility – Salary Administration**

##### **A. Department Heads**

Approve and submit requests for salary adjustments in accordance with PPSM-30 and Local Procedure 30, Compensation, and the internal routing and review procedures for the organizational unit.

##### **B. Organizational Units**

1. Ensure that the organization's internal routing and review procedures are communicated within the organizational unit.
2. Approve and submit requests requiring Human Resources review.
3. The organizational unit may establish one or more designated contacts for purposes of forwarding requests related to salary adjustments to Human Resources. The designated contact shall be responsible for ensuring that the appropriate approvals are obtained from the organizational unit head.

##### **C. Human Resources**

Provide a recommendation and/or approval for salary adjustments requiring Human Resources review, as required by PPSM-30 and/or Local Procedure 30, Compensation. Recommendations are issued to the dean/vice chancellor/unit head or the designated contact for the organizational unit.

Submit requests for escalation to the Vice Chancellor for Business and Administrative Services.

## **X. Hours of Work (Non-Exempt Employees Only)**

### **A. Standard Workweek**

The standard workweek is from 12:00 a.m. Sunday to 11:59 p.m. the following Saturday. When circumstances require such action, upon recommendation of the department head, the organizational unit (i.e. dean's or vice chancellor's office) may approve alternate workweeks of any other 7 consecutive 24-hour periods. For example, a workweek from 12:00 a.m. Thursday to 11:59 p.m. the following Wednesday could be used where weekend activity is consistently required.

### **B. Standard Work Schedule**

The standard work schedule for full-time employees is 8 hours per day on 5 consecutive days from 8:00 a.m. to 5:00 p.m. with 1 hour for a meal period.

### **C. Alternate Work Schedules**

The department head may approve an alternate (flexible) work schedule for the entire department, or for individual employees, in accordance with the following:

1. A full-time alternate work schedule shall consist of 40 hours in 1 designated workweek, or 80 hours in 2 consecutive workweeks; and
2. Overtime shall be in accordance with Personnel Policy 30: Overtime (Non-Exempt Employees Only).

### **D. Call-Back**

The use of call-back should be resorted to only in emergency situations or unusual instances when it is not possible for the work to be accomplished through normal scheduling or scheduling of overtime.

### **E. On-Call**

Classifications eligible to receive on-call payments are identified in the Title and Pay Plan.

## **XI. Responsibility - Hours of Work (Non-Exempt Employees Only)**

### **A. Department Heads**

1. Approve alternate work schedules.
2. Determine when on-call assignments and call-back are necessary.
3. Ensure time is correctly reported.

### **B. Organizational Units**

Approve requests for alternate workweeks

## **XII. Overtime (Non-Exempt Employees Only)**

### **A. Extended Workweek**

Planned overtime that is required on a regular and continuing basis for a period of approximately 6 months or longer, and that is the only practicable solution to work requirements, is designated as an extended workweek. Such arrangements, up to a

maximum of 12 months, shall be approved in advance and confirmed in writing by the department head so long as the overtime will not be detrimental to the employee's health nor affect performance adversely. Any extended workweek arrangements beyond 12 months must be approved in advance by the organizational unit (i.e., dean's or vice chancellor's office).

#### **B. Notice Regarding Overtime Compensation**

Under provisions of the Fair Labor Standards Act (FLSA), notice regarding methods of overtime compensation at the University must be provided to all newly appointed non-exempt employees. The Notice Regarding Overtime Compensation at the University for Employees Not Represented by an Exclusive Bargaining Agent should be used to provide the notice for all employees who are hired, transferred, reclassified, or promoted into positions, which are designated as non-exempt.

The notice explains that overtime is compensated at the University's option and discretion either as compensatory time off or in the form of pay, unless agreement to this effect is not reached, in which case pay must be provided. The employee must indicate acceptance or non-acceptance of this condition. If the employee does not indicate acceptance or non-acceptance of this condition, they will be considered to have knowingly and voluntarily accepted this condition of employment. The notice must be signed and dated by the employee before the performance of any overtime work and should be retained in the employee's departmental personnel file.

#### **C. Scheduling Compensatory Time Off**

Compensatory time off for overtime accrued at either a straight-time rate or at the premium rate shall normally be taken within 6 months from the first of the month following the date on which it was earned; however, the department head may authorize an extension of up to an additional 6 months.

#### **D. Adjustments must be made in the same workweek for compensatory time accrued at a straight time rate when an employee works over schedule but less than 40 hours in a workweek**

Compensatory time off is scheduled by the University. Employees may also request use of compensatory time off and such requests shall be granted unless doing so would "unduly disrupt" the operations of the organization. Use of compensatory time off requires prior approval in accordance with departmental policy.

#### **E. Multiple Part-Time Appointments Not Exceeding 100 Percent**

In the case of employment in 2 or more classifications, 1 of which is non-exempt, the overtime worked is subject to compensation as follows:

If more than 20 percent of the total hours worked in a workweek is in a non-exempt classification, all overtime shall be subject to compensation according to Personnel Policy 30; conversely, if 20 percent or less of the total hours worked in a workweek is in a non-exempt classification, the position shall be considered exempt and thus not eligible for additional compensation beyond the established salary for the position.

### **XIII. Procedures – Overtime (Non-Exempt Employees Only)**

- A.** The supervisor determines a need for overtime and obtains approval to schedule subordinates for overtime from the department head. If additional approval is required (e.g., for dual employment or an extended workweek), the department head obtains approval from the organizational unit (i.e., dean's or vice chancellor's office) before scheduling overtime.
- B.** As soon as possible after the need for overtime is determined, the supervisor notifies the employee that overtime must be worked. Upon request, an employee is expected to work overtime. However, in assigning overtime the department head will take into account employee preference for overtime assignments.
- C.** The employee works the approved overtime.
- D.** The department compensates the employee in accordance with Personnel Policy 30.

### **XIV. Responsibility - Overtime (Non-Exempt Employees Only)**

#### **A. Department Heads**

- 1. Approve overtime assignments.
- 2. Maintain accurate timekeeping records.
- 3. Ensure time is correctly reported to accurately reflect overtime compensation.
- 4. Approve extensions of the maximum time period for retaining compensatory time off leave accruals, up to 12 months. Any unused compensatory time must be paid out to the employee.
- 5. Secure a completed Notice Regarding Overtime Compensation at the University for Employees Not Represented by an Exclusive Bargaining Agent for each non-represented, non-exempt employee.
- 6. Approve dual appointment arrangements with a duration of not more than 12 months.

#### **B. Organizational Units**

Approve extended workweek and dual appointment arrangements with a duration of more than 12 months.

### **XV. Shift and Weekend Differential (Non-Exempt Employees Only)**

#### **A. Definitions**

##### **1. Evening Shift**

An evening shift differential shall be paid to an employee in an eligible classification for all hours worked when 4 hours or more of an assigned shift are worked after 5:00 p.m. and before 12:00 a.m.

##### **2. Night Shift**

A night shift differential shall be paid to an employee in an eligible classification for all hours worked Sunday – Thursday when 4 hours or more of an assigned shift are worked after 12:00 a.m. and before 8:00 a.m.

### 3. Weekend Shift

A weekend differential shall be paid to an employee in an eligible classification for all assigned hours actually worked between midnight Friday 12:00 a.m. Saturday and midnight 11:59 p.m. Sunday. Weekend differential shall not be included in payments for leave with pay.

### B. Eligibility

Eligibility for shift differential and non-exempt status of employees is determined by referring to the Title and Pay Plan under the headings of Shift Differential (SDF) and Overtime Exemption Status (OES).

### C. Overtime Payments

1. Payments for shift differential and weekend differential are included as part of compensation in calculating the regular rate (see Personnel Policy 2: Definition of Terms) for determining premium overtime pay.
2. An employee in an eligible classification regularly assigned to a day shift does not receive a shift differential for overtime hours worked on an evening or night shift unless:
  - › at least half of a shift of 8 hours or longer is worked after 5:00 p.m. and before 8:00 a.m.; or
  - › at least 4 hours of a shift of less than 8 hours are worked after 5:00 p.m. and before 8:00 a.m.

Overtime in these cases is not compensated at the premium rate.

## XVI. Responsibility – Shift and Weekend Differential (Non-Exempt Employees Only)

Human Resources, in consultation with management, is responsible for establishing definitions of evening, night and weekend shifts; determining which classes are eligible to receive shift differential; and setting pay rates.

### Summary of Actions Requiring Compensation Review/Approval

Administrative Stipend	Requests to extend a stipend more than once or to extend a stipend beyond 24 months.
Contract Appointment/Extension	<b>All</b> Contract Appointments & Extensions must be submitted to Central Human Resources Compensation for review and approval prior to initiating an employment contract.
Demotion	<b>All</b> salary actions including requests to maintain an employee's current salary rate upon demotion.
Lateral Moves	When the proposed salary increase exceeds 5% of base salary.
Limited Appointment	All Limited appointment positions must be submitted to Central Human Resources for classification prior to the hire.
Reclassification into a higher grade Salary Review (Promotion)	When a salary increase is greater than a 5% variance of the salary calculator <b>and</b> 15% in total.
Reclassification into lower grade Salary Review (Demotion)	All salary actions.
Reclassification into same grade Salary Review (Lateral)	When the salary adjustment is beyond 5%.
Salary Offer for External Hires	When the proposed salary exceeds 5% of the salary calculator recommendation and is above the midpoint of the salary range.
Salary Offer for Internal UC Hires	When a proposed salary exceeds 5% of the salary calculator recommendation and is greater than 15%.
Special Off-Cycle Equity Adjustments	<b>All</b> off-cycle, unplanned equity adjustments must be submitted to Central Human Resources Compensation for review and approval.

Any cumulative fiscal year base pay increase that is greater than 25% must receive review from the Central Human Resources Compensation unit prior to implementation.