



UNIVERSITY OF
CENTRAL FLORIDA

**Administrative and Professional (“A&P”) and
University Support Personnel System (“USPS”)**

Salary Administration Guidelines

Summer 2021

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Introduction

University of Central Florida (“UCF” or “the University”) intends for its compensation program (“program”) to provide career opportunities that are market competitive and reflect the skills, knowledge, and expertise of UCF’s workforce. The program supports UCF’s creed that “integrity, scholarship, community, creativity, and excellence are the core values that guide our conduct, performance, and decisions. These values comprise the guiding principles that direct the actions of the University, its students and its employees.”¹

This document outlines a set of pay guidelines for managing compensation for Administrative and Professional (“A&P”) and University Support Personnel System (“USPS”) positions at UCF, addressing common employment scenarios. These pay guidelines provide a framework for the following objectives:

- Paying employees fairly and competitively
- Increasing transparency and understanding
- Promoting consistency in pay practices
- Aligning the University rewards philosophy with the institutional purpose, values, and strategy
- Providing trust and confidence in our compensation process and decisions

¹ Source: University of Central Florida Undergraduate Catalog, 2018:
<http://catalog.ucf.edu/content.php?catoid=3&navoid=160>

Compensation Philosophy

The University's compensation program is designed to attract, develop, and retain employees, and to support the successful growth of the University and the attainment of the University's strategic initiatives. The compensation program supports our colleges and departments to strengthen our academic, economic, social, and cultural impact and reputation. The compensation program is grounded in the following guiding principles:

- **Strategy Driven:** UCF's compensation program aligns with its overall mission, vision, and goals. Compensation policies and procedures support the University's Collective Impact Strategic Plan.
- **Dynamic Approach:** The University reviews the compensation program through an in-depth salary study every 3 – 5 years to ensure the program remains competitive and equitable. We are flexible and responsive to address the challenges, changing needs and operating objectives of the University.
- **Externally Competitive:** UCF uses a competitive market approach to pay. Jobs are priced according to the appropriate labor market utilizing data from general industry and higher education. Comparable market data is based on geographic location, organizational size, and aspirational university data.
- **Internally Equitable:** Jobs and salaries across the University are analyzed to reflect equitable relationships to one another based on comparability of duties and the complexity and scope of responsibilities.
- **Career Progression:** The University will support employees in their career progression by providing information on the paths available to work toward professional aspirations.
- **Transparent:** UCF is committed to pay employees fairly and objectively. Job descriptions, pay guidelines, procedures, and salary ranges will be publicly available through the UCF HR-Compensation Website.
- **Fiscally Responsible:** The compensation program will provide effective use of University funds by making compensation decisions within budgetary parameters.
- **Workplace Diversity:** The compensation program supports and promotes diversity in the workplace and is administered without regard to gender, ethnicity, national origin, age, sexual orientation, disability, marital status, religion, or political affiliation.
- **Compliant:** The University provides pay systems that are compliant with all applicable state and federal laws and regulations governing compensation.

Roles and Responsibilities

The University is committed to openness and transparency around the compensation program to ensure that all employees understand the principles that guide salary decisions. At a minimum, this includes communicating:

- The University's compensation philosophy
- The methodology and results summary of University-wide compensation initiatives
- Current pay administration practices
- Salary structure ranges
- Accurate job responsibilities

To ensure that the program administration is consistent and impartial, the table below outlines the roles and responsibilities for key constituents involved in compensation decision-making:

Senior Leaders/ Administrators	<ul style="list-style-type: none">• Communicate openly and clearly with University community on compensation-related matters• Endorse program design and implementation processes• Establish and communicate strategic and operational goals to the community• Set standards for performance planning, coaching, and feedback; hold direct/indirect reports accountable to the set standards• Review and endorse salary structure updates and individual pay decisions as appropriate• Provide resources required to maintain the program
Managers/ Supervisors	<ul style="list-style-type: none">• Collaborate with UCF Human Resources to establish and maintain appropriate salaries; make recommendations for salary adjustments• Understand and maintain documentation of accurate job responsibilities and requirements of jobs in area of responsibility• Understand skills, knowledge, experience, and performance levels of employees in area of responsibility• Set performance expectations, provide clear and helpful feedback, and evaluate performance• Communicate openly with staff about compensation topics

Employees	<ul style="list-style-type: none"> • Understand and fulfill job’s essential functions, as defined by the job description • Respond to feedback provided by manager or supervisor as related to job responsibilities and performance • Provide accurate records of hours worked as needed • Raise issues or concerns about job responsibilities and/or compensation with employee’s immediate manager/supervisor
UCF Human Resources	<ul style="list-style-type: none"> • Serve as a subject matter expert, establishing parameters around compensation guidelines • Design, develop, and maintain compensation program, including salary guidelines; ensure fairness in and consistency of application • Provide strategic and operational advice to leadership on salary issues and market trends • Provide administrators, managers/supervisors, and HR Partners with the tools and resources needed to make compensation decisions for employees (market data, hiring ranges, federal/state policies, etc.) • Regularly collect market data from appropriate sources, assess pay competitiveness, and recommend adjustments to the salary structure as well as individual salaries • Regularly monitor effectiveness of the compensation program and practices, its continued competitiveness, and ongoing equity • Communicate salary program and ensure understanding within the University

Salary Program and Guidelines

The design of the salary program for A&P and USPS employees at UCF ensures that jobs are competitively valued relative to comparable jobs in the marketplace where the University competes for talent. Accordingly, using salary data gathered from market benchmarking, the salary structure below groups together jobs of similar value. This salary structure consists of pay grades, or a hierarchical ranking of salary ranges, that provide guidelines for consistent decisions about compensation. Each grade consists of:

- A **minimum**, the lowest salary for jobs in the grade. Generally, an employee will not be paid below the minimum of the salary range associated with that employee's job. However, through the transition of changing titles and paygrades, an employee may be paid at or above the old pay grade associated with the position until it is fiscally feasible increase the salary to the new minimum of the salary range of the new pay grade.
- The **midpoint**, the "middle" of the grade. The midpoint is the salary which is considered to be a fair and equitable rate of compensation for an employee who is fully qualified for the job from the standpoint of training and experience, and whose demonstrated performance on the job **over a period of time is satisfactory in all respects.**
- A **maximum**, the highest salary for jobs in the grade. Generally, an employee will not be paid above the maximum of the salary range associated with that employee's job.

Typically, UCF will conduct a comprehensive market assessment every 3-5 years to evaluate the structure's competitiveness and alignment with UCF's compensation philosophy. Any revisions will be established and implemented as approved by senior leadership, given the financial resources of the institution.

University of Central Florida – A&P and USPS Salary Structure

Grade	Minimum	Midpoint	Maximum	Hourly Minimum	Hourly Midpoint	Hourly Maximum
11	\$22,968	\$27,562	\$32,155	\$11.00	\$13.20	\$15.40
12	\$25,839	\$31,007	\$36,175	\$12.38	\$14.85	\$17.33
13	\$29,069	\$34,883	\$40,697	\$13.92	\$16.71	\$19.49
14	\$32,703	\$39,243	\$45,784	\$15.66	\$18.79	\$21.93
14A&P**	\$35,705	\$39,243	\$45,784	\$17.10	\$18.79	\$21.93
15	\$36,841	\$45,130	\$53,419	\$17.64	\$21.61	\$25.58
16	\$42,367	\$51,899	\$61,432	\$20.29	\$24.86	\$29.42
17	\$48,722	\$59,684	\$70,646	\$23.33	\$28.58	\$33.83
18	\$56,030	\$68,637	\$81,243	\$26.83	\$32.87	\$38.91
19	\$64,518	\$80,648	\$96,778	\$30.90	\$38.62	\$46.35
20	\$75,809	\$94,761	\$113,714	\$36.31	\$45.38	\$54.46
21	\$89,076	\$111,345	\$133,614	\$42.66	\$53.33	\$63.99
22	\$104,664	\$130,830	\$156,996	\$50.13	\$62.66	\$75.19
23	\$122,980	\$153,725	\$184,470	\$58.90	\$73.62	\$88.35
24	\$135,810	\$180,627	\$225,445	\$65.04	\$86.51	\$107.97
25	\$161,614	\$214,946	\$268,279	\$77.40	\$102.94	\$128.49
90*	\$45,000	\$53,315	\$61,630	\$21.55	\$25.53	\$29.52
91*	\$51,601	\$59,797	\$67,993	\$24.71	\$28.64	\$32.56
92*	\$58,174	\$69,605	\$81,035	\$27.86	\$33.34	\$38.81

*Salary ranges per PBA as of 10/18/2019

**A&P minimum due to updated FLSA threshold enacted January 1, 2020

Compensation Decisions and Salary Adjustments

Job (Classification) Descriptions

Job descriptions are an essential management tool used for many purposes, including recruitment, organizational planning, salary benchmarking, and the Fair Labor Standards Act (FLSA) classification. Job descriptions are not an exhaustive list of tasks, but rather an overview of the duties and responsibilities of the role. The UCF Human Resources (HR) office is responsible for maintaining current job descriptions for all A&P and USPS jobs.

Position Descriptions

A position description identifies, describes, and defines a specific position in terms of its duties, responsibilities, working conditions, and requirements. Position descriptions are a tool for use in compliance with the Americans with Disabilities Act (ADA), and for conveying expectations for performance management.

Managers/supervisors are responsible for updating position descriptions as they change and for providing UCF HR with updated descriptions. UCF HR will review position descriptions on a regular and rotating basis, while managers/ supervisors should also review position descriptions with employees at the time of the annual performance review.

All position descriptions must be completed using UCF's A&P template or USPS template, which is available on the compensation website.

Pay Delivery Mechanisms

Base salary will be the primary method of rewarding individuals for their performance and sustained contribution to the University.

- Base salary will reflect the value of the job in the market, the role in the University, and the capabilities and contributions of the individual.
- Adjustments to base salary may be influenced by substantial changes in role and responsibilities of the job (i.e., reclassification), the University's financial position, cost of labor adjustments, length of service and/or incumbent's overall performance.
- In addition to pay, other rewards such as spot awards, one-time performance payments, health and retirement benefits, career opportunity, and UCF's mission-driven environment and values are critical components of the total compensation program at the University.

Job Families and Job Sub-families

- Job Families are positions grouped together by common vocations/professions that have similar knowledge, skills, and abilities at different levels of the job. Thus, a job family has jobs at progressing levels defining a career path for an individual with incremental requirements of the similar knowledge, skills, and abilities.

- Job Sub-Families are sub-sets within a job family and are used to further group jobs.

The job family framework helps to group jobs by the nature of the work rather than by the organizational or reporting structure. Peers within a department are likely part of the same job family and may be part of the same job function. A listing of the university job families is located after the Common Compensation Terms and Definitions section of this document. The [UCF A&P and USPS Employee Pay Plan](#) can be viewed on the Human Resources website and has a comprehensive listing of Job Titles, Job Families and Job Sub-families.

Job Categories

Job categories describe the overall nature of work. The three job categories used at UCF are: Support, Professional, and Management.

Support: Support jobs are those jobs which provide organizational support or service (administrative or clerical) OR roles operating in a “hands on” environment in support of daily operations. Much of time is spent in the delivery of support services or activities, typically under supervision. The jobs in this category are generally paid on an hourly basis and classified as non-exempt under FLSA, although assignment to this category is not a recommendation of FLSA status. Higher level support jobs may be responsible for overseeing well-defined tasks performed by nonexempt employees but are not responsible for employee development. Jobs in this category may also oversee student workers and/or volunteers.

Professional: Professional jobs typically oversee the design, implementation, and delivery of processes, programs, and policies using specialized knowledge and skills normally acquired through advanced education or specialized training. Professional jobs are generally exempt under the FLSA, and have responsibility in a field, function, or specialty area. A professional employee may oversee the work of two or fewer direct reports and/or manage processes and programs; however, this is incidental to the primary role of the job.

Management: Management jobs are those jobs which accomplish their goals and accountabilities primarily through the management of employees in operational and/or strategic roles within a specified job family/function. Jobs in the management category have the management and development of people as a major accountability, and generally have direct reports. Most of time is spent overseeing their areas of responsibility, planning, prioritizing, and/or directing the responsibilities of employees.

Job Levels

Job levels have been developed within each of the above categories. Each level describes characteristics of jobs that will be assigned to a level, including organizational impact, complexity, leadership responsibility, as well as knowledge and experience requirements.

Each job at UCF has been reviewed, compared to the level criteria, and assigned to the level

that best describes the job. A list of university job levels is located after the Common Compensation Terms and Definitions section in this document. Job levels and career frameworks can be viewed on the Human Resources website in the [UCF Career Level document](#).

Criteria for Assigning Jobs to the Salary Structure

Job evaluation is a systematic way of establishing the relative rank of jobs. Dimensions of work, such as duties, responsibilities, and work qualifications are taken into consideration. To ensure an accurate and consistent valuation process, the program will maintain:

- Consistent titling practices
- Accurate reflection of actual job duties performed in job descriptions and position descriptions
- Regular updating of job descriptions and position descriptions
- Periodic review of job structure, families, and levels
- The identification of key benchmark jobs that will be used to monitor the market
- Monitoring of market pay practices, including the Orlando Consumer Price Index (CPI) and Cost of Labor (COL), on a regular basis to ensure continued competitiveness
- Periodic review of the salary structure, with adjustments made as necessary and as financially feasible to maintain market competitiveness
- Periodic reviews of incumbent salaries relative to one another, that may consider skills, job knowledge, experience, professional development, and performance

Benchmarking to the defined comparison markets informs the external valuation of jobs. The data resulting from benchmarking creates a reference point to inform appropriate and competitive salary ranges for a given job. Data comes from published surveys that most closely approximate the desired comparison market. UCF comparison markets will generally consist of data from the Higher Education industry coupled with general industry data depending on the nature of the UCF role.

A&P and USPS jobs are assigned salary grades primarily based on their market value. Most of jobs at UCF are “benchmark” jobs. This means that jobs with similar responsibilities and skill requirements are typical in the market and reliable pay data is available in published surveys. Generally, benchmark jobs are given the grade with the closest grade midpoint to the market median for the job. An internal equity review of all assigned A&P and USPS jobs is performed before finalizing grade assignments. Criteria for Assigning Non-Benchmark Jobs to a Grade

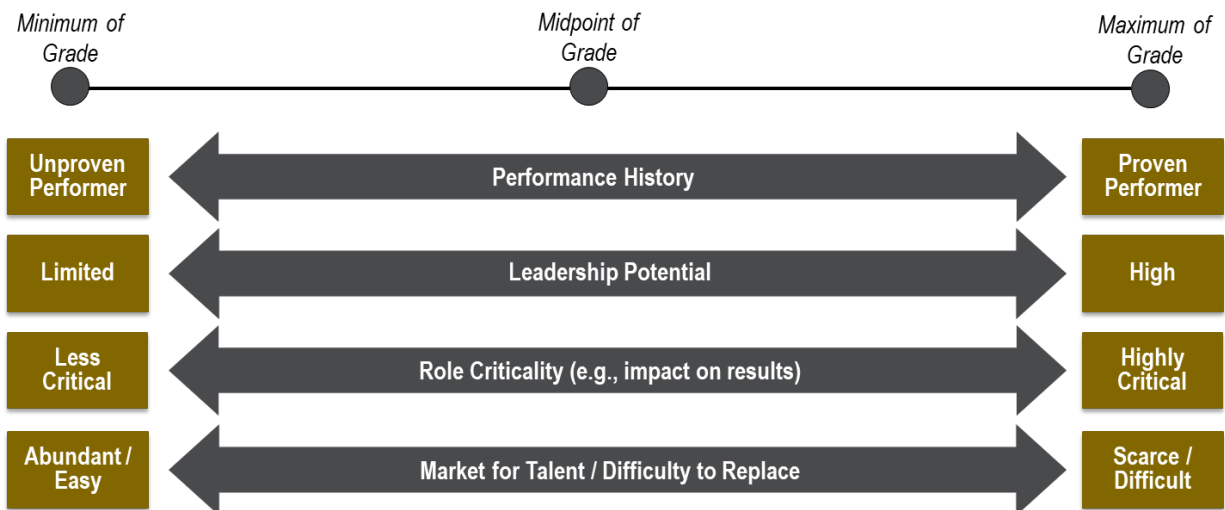
For other positions, market data may not be available; these are “non-benchmark” jobs. Non-benchmark jobs occur when organizations create jobs around individuals’ skills and expertise or to accommodate specific organizational needs. In some cases, jobs are in the market, but not included in salary surveys. Non-benchmark jobs are assigned to the salary structure by comparing the non-benchmark job to other benchmark jobs at the University. UCF Human Resources will confirm the non-benchmark process and assignments with management. Jobs are compared by considering the following three factors:

- **Knowledge and Skills:** The formal/informal expertise needed to perform the duties of the job on a day-to-day basis.
- **Impact:** The influence that a job has on key organizational imperatives.
- **Scope of Responsibility:** The breadth or range of the job’s operational influence within the institution.

All non-benchmark jobs are compared to the most similar benchmark job in the institution. UCF Human Resources will compare the non-benchmark job in question using the criteria listed above and determine how to level the non-benchmark job in question into the salary structure.

Individual Pay Positioning

All employees can expect to be paid within the salary range associated with their job’s grade. However, the pay positioning for an individual employee may differ from the pay positioning of another employee’s pay positioning. For salary structure implementation, individual adjustments also consider factors such as performance, leadership potential, role criticality, scarcity of talent, and mobility. An individual’s pay positioning may be based on the outcomes of an evaluation against these factors.



Setting Starting Salaries for New Hires

Setting a starting salary involves a review by UCF HR of a job’s responsibilities and requirements, as well as the skills and experience of the incumbent, using the salary range associated with the job’s grade as the guideline.

When defining the starting salary for an individual within a salary range, a review the individual’s skills and experience will be undertaken collaboratively by UCF Human Resources, college/division’s HR Partner, and the employee’s manager/supervisor (see section “Individual Pay Positioning” above for guidelines).

Career Advancement (Salary Growth)

An employee can also realize career advancement by significantly increasing professional skills and competencies while remaining in the same job. The additional skills or competencies may increase the employee's opportunity for job promotion in the future and may provide additional value to the University. In some circumstances, the University may choose to reward demonstration of such skills or competencies when it provides significant benefit to the University. In these cases, managers/supervisors, in consultation with UCF HR, may recommend a modest salary increase within the salary grade, based on the incumbent's skill, knowledge, experience, performance, and current placement within grade.

Not all skill or competency enhancement or degree attainment will result in a salary increase. The additional skills or competencies must provide significant benefit to the University, and the incumbent's skills, knowledge, experience, performance, and current placement within grade must warrant an increase.

Note that salary growth is different from a significant job change, in which significant portions of the job responsibilities change. For this situation, please see the *Significant Changes to a Job* section, next.

Significant Changes to a Job

It is common for jobs to evolve incrementally over time to meet the needs of the department. There are also times when there are significant permanent changes to the responsibilities of a job.

Not all changes to a job warrant a grade or salary changes. Examples include:

- Use of different tools to handle the same responsibilities. This most frequently would be the introduction of technology to handle current manual processes or updates to existing technology;
- Similar responsibilities added or exchanged for existing responsibilities;
- Increase or decrease in the volume of work, maintaining the complexity of the work;
- The attainment of a degree or other educational milestone, unless the attainment results in changes to the job, level of authority, or scope of responsibility.

Examples of significant job changes that warrant a review of salary grade and/or salary include:

- Additional responsibilities different from existing job responsibilities requiring additional training/self-study to learn;
- Changing level of accountability, such as to budget responsibility or additional management responsibilities.

Lateral Job Changes

Not all career advancement opportunities are promotions. An employee can advance in by taking a different job in the same grade. A lateral job change enables the employee to become broadly skilled, enhances the employee's ability to contribute to UCF, and positions the

employee for future promotional opportunities. While it is not always warranted, managers/supervisors, in consultation with UCF HR, may recommend a new salary within the salary range based on the incumbent’s skill, knowledge, experience, and performance, using the quartile placement framework (see section “Setting Starting Salaries for New Hires” above for framework). If the employee’s current salary is below the first quartile of the salary range for the job change, the manager/supervisor may request an increase up to the first quartile of the salary range if the employee exceeds the minimum qualifications of the job. UCF HR will make recommendations on these instances on a case-by-case basis.

Promotion to a Job in a Higher Grade

Promotion involves movement to a job in a higher grade. Such a move generally warrants an increase in salary to recognize higher-level responsibilities and to ensure that salary for the new job is consistent with market and internal equity. UCF HR and managers/supervisors will collaborate to determine an appropriate salary within the new grade based on the employee’s skill, knowledge, experience, and performance using the quartile placement framework (see section “Setting Starting Salaries for New Hires” above for framework). The guidelines listed below inform quartile placements and resulting salary recommendations. The recommended salary based on these guidelines may not exceed a 20% salary increase unless this places the employee’s new salary below the minimum of the new salary grade. The appropriate manager/supervisor will approve salary recommendations.

First Quartile Placement	Intended for incumbents who do not have substantial experience in the new position or are in a learning situation requiring additional training to build knowledge and skills.
Second Quartile Placement	Incumbents who have related experience and are becoming proficient in their responsibilities.
Third Quartile Placement	Typically used for experienced employees who perform duties independently, consistently exceeding expectations.
Fourth Quartile Placement	Reserved for employees who exhibit broad and deep job knowledge that exceeds their primary responsibilities. Incumbents are considered subject matter experts and are consistent high performers.

Demotion to a Job in a Lower Grade

At times, an employee may be reassigned to a job in a lower salary grade. This may occur because of a more appropriate fit between the employee’s capabilities and the skills and expectations of a different job, or by an employee’s request to move to a job with less responsibilities.

Involuntary Demotion

When an employee is involuntarily reassigned to a job in a lower grade, UCF HR will make a recommendation on a case-by-case basis.

Voluntary Demotion

If an employee elects to take a job in a lower grade, a salary reduction may be appropriate to reflect the responsibilities of the new job.

UCF HR will recommend the amount of salary change on a case-by-case basis. For voluntary demotions, the amount of salary decrease should generally reflect the difference between the grade of the current job and the new job. The process for recommending an appropriate salary adjustment will follow the below steps:

1. Calculate the difference between the grade assigned to the incumbent's current job and the grade assigned to the new job and then apply the differential to the current salary;
2. Review the incumbent's skills, knowledge, experience, and performance in comparison to the definitions for the new salary grade and in comparison, to incumbents in similar roles; and
3. Modify the initial salary adjustment recommendations, if necessary, to ensure internal equity with the current incumbents in similar jobs in the new salary grade.

Earning a Degree

Earning a degree or other professional designation by itself does not generally warrant a salary increase unless job responsibilities change because of the degree attainment.

Requesting a significant job change:

Develop formal justification and update/create the job description:

The HR Partner, manager/supervisor and employee should collaborate to re-write or modify the existing position description to depict the new duties, responsibilities, accountabilities, and complexity of the role. It is advisable to retain the original position description to highlight differences between the jobs. The manager/supervisor should collaborate with the appropriate UCF Human Resources representative to provide a formal justification that outlines and documents the rationale for the request, along with other required documentation to support the request.

Review skills and experience of the individual:

Once the job and grade assignment have been determined, the salary will be set within this range collaboratively by UCF HR and the employee's manager/supervisor (*see section "Individual Pay Positioning" above for guidelines*).

Special Pay Increases (SPIs)

Special Pay Increases (SPIs) are classified as follows:

Additional Duties: Additional duties refer to permanent increases to a job's duties that have substantially increased the level of complexity, authority, or accountabilities of the current classification. Most of these situations will fall under the section *Career Advancement (Salary Growth)*.

Temporary Additional Duties: See the Payment Guide under Temporary Appointments and Designations/Additional Pay Practices below.

Counteroffers: Used to retain an employee with a written job offer from an external organization that is comparable to the job the employee holds at UCF. Counteroffers are initially treated the same as market reviews. Otherwise, the VP/Dean of the college/division provides a written justification of how the retention of the employee via a counteroffer benefits the university.

Market Adjustments: Compensation will perform university-wide comprehensive market reviews on a regular basis. Market reviews should be performed outside the comprehensive cycle when recruitment and/or retention for a specific job code becomes difficult or if an employee is determined to be paid significantly below an external market data rate, as defined by UCF HR. All employees in the job code will be reviewed for market competitiveness. Increases (if any) will be granted equitably and consistently.

Internal Equity or Compression Adjustments: Compensation may recommend pay adjustments when the action maintains an appropriate internal pay relationship among employees in the same classification.

Merit increases: Merit pay, also known as pay-for-performance, is defined as an increase in pay based on a set of criteria set by the University. Occasional, university-wide merit increases may be authorized at the university's discretion and are referred to as "in-cycle" merit increases. In addition, managers/supervisors may recognize an employee for performance outside of the university-wide, in-cycle merit increase. This is called a discretionary "out-of-cycle" merit increase.

While it is the intent of UCF to provide in-cycle merit increases when finances permit, the institution cannot guarantee that such increases will occur every year.

Senior university leadership will determine the percentage of the merit increase pool and communicate the amount to managers/supervisors. The distribution of merit salary increases should align with the established performance criteria.

Typically, SPI increases range between 3% – 10%. For instance:

- An increase between 3% – 5% is typically recommended for permanent Additional Duties (no change in classification).
- An increase between 7% – 10% is typically recommended for permanent Additional Duties (higher classification).

- Increases of 20% or more may require the approval of the President, unless the increase brings the salary to the minimum of the pay grade salary range.

Budget Requirements

The college or department must fund the SPI from their own budget following the approval process of their respective VP division.

SPI Process

- A department or college must submit a preliminary analysis for the SPI, including a detailed written justification and other applicable documentation as indicated above;
- UCF Human Resources shall review the SPI request and provide a written analysis and recommendation to the department or college;
- Managers/supervisors should not communicate a pending SPI request to an employee until the request is approved by UCF Human Resources; and
- Upon approval, SPIs are effective the first day of the pay period following the date of when the electronic position action form (ePAF) is approved by UCF HR.

Out-of-Cycle Merit Process

- The department or college provides a formal justification to the appropriate administrator (president, vice-president, or dean) outlining the performance of the employee to warrant an out-of-cycle merit increase;
- The administrator reviews and approves the request and then routes to UCF HR in the same way as other SPI requests;
- If a university-wide, in-cycle merit increase occurred within the same fiscal year as the request, only one out-of-cycle merit increase per employee is permitted within the same fiscal year;
- If no in-cycle merit increase occurred within the same fiscal year as the request, two out-of-cycle merit increases per employee may occur within the same fiscal year;
- An employee's base salary may not exceed the maximum of the pay grade assigned to the employee's job due to the out-of-cycle increase; and
- The below matrix is to be used when considering an out-of-cycle merit increase:

Performance Rating	Percentage Range
Outstanding/ Exemplary	5%-7%
Above Satisfactory/ Commendable	2% - 4%
Satisfactory/ Effective or below	No increase outside of campus wide in-cycle merit increases

Temporary Appointments and Designations

Interim Appointment

A temporary appointment of an existing UCF employee that spans six (6) months or more, who assumes full responsibility for another position at or above a Manager level.

- The interim appointment employee will assume the interim position's designated position number.
- The employee must meet the minimum qualifications of the interim role or have essential institutional knowledge.
- The employee's current position will remain open while he/she is in interim appointment status; a visiting appointment, interim appointment, or other compensation action may be utilized to backfill the duties of the employee moving into the interim position.
- Interim appointments should be granted to current employees; an external candidate may be considered for the role when an appropriate internal candidate is not identified. This is considered a visiting appointment.
- External candidates would be subject to the [Visiting Appointment guidelines](#).
- Interim appointment employees are entitled to all rights, privileges, and benefits of a regular employment, including the right to continued employment, specific to the terms of their pre-interim appointment.

Executive Service Benefit stipulations:

Employee Type	Interim Role Type	Executive Service Benefit? Y/N
Regular	Regular	N
Regular	Executive Service	N
Executive Service	Regular	Y
Executive Service	Executive Service	Y

Interim Appointment Process

The process to request an Interim Appointment is as follows:

1. The college/department must submit a preliminary analysis request for an interim appointment to HR Compensation comp@ucf.edu.
2. HR Compensation shall review the candidate's credentials and provide a preliminary analysis with a salary recommendation for the interim appointment.
3. Upon approval and the candidate's agreement, the college/department shall coordinate with Talent Acquisition to establish a posting link for the vacant position.

4. Talent Acquisition will provide the link directly to the interim appointment candidate. For the purposes of record and a review of qualifications, the candidate must apply for the position through the Talent Acquisition system.
5. The offer must be approved by HR Compensation.
6. The candidate shall be formally offered the appointment through the system generated offer letter.
7. Upon acceptance of an offer, the college/department shall submit a hire ePAF to move the selected interim employee to the vacant position.
8. If the employee is not the selected candidate at the conclusion of the search process, the employee shall be returned to his/her original position and base salary. Any university-wide pay increases that occurred while they were in interim appointment will be applied.

Visiting Appointment

An appointment of a person to an Administrative and Professional (A&P) position having professional qualifications when the position is expected to be available for a limited period.

- If an appointment to this position is expected to last for one year or less, a search is not required.
- If an appointment is expected to last more than one year a search is required.
- Any visiting appointment cannot exceed four (4) years in duration.
- Visiting appointment employees are entitled to all rights, privileges, and benefits of regular, full- or part-time employment except the right to continued employment.
- Visiting appointment employees are not eligible for lay-off retention rights, in accordance with Regulation UCF 3.0123.
- Internal candidates will be subject to the guidelines of a visiting appointment which will supersede their former employment rights regarding continued employment in accordance with Regulation UCF 3.0122.
- If the required search is for a Director level or above, the appointment will require the use of a search committee; all search committee guidelines apply.

Visiting Appointment Process

The process to request a Visiting Appointment is as follows:

1. The college/department shall follow normal position establishment and recruitment procedures.
2. The candidate shall be formally offered the appointment through the system generated offer letter.
3. Upon acceptance of offer, the college/department shall submit a hire ePAF.

4. The hiring department must submit a termination ePAF within 30 days of end of the visiting appointment.

Time Limited Appointment

An appointment of a person to a University Support Personnel System (USPS) position having qualifications when either the person, position, or funding is not expected to be available for more than a limited period.

- If an appointment to this position is expected to last for one year or less, a search is not required.
- A search is required for the appointment to be renewed beyond a year and may be renewed annually if needed and if funding exists for the position.
- Time limited employees are entitled to all rights, privileges, and benefits of regular, full- or part-time employment except the right to continued employment.
- Time limited employees may be separated from the university without advance notice, in accordance with Regulation UCF 3.038.
- Time limited employees are not eligible for lay-off retention rights, in accordance with Regulation UCF 3.0123.
- Internal candidates will be subject to the guidelines of a time limited appointment which will supersede their former employment rights regarding continued employment, layoff and retention rights, and notice of separation.

Time Limited Appointment Process

The process to request a Time Limited Appointment is as follows:

1. The college/department shall follow normal position establishment and recruitment procedures for USPS positions.
2. The candidate shall be formally offered the appointment.
3. Upon acceptance of offer, the college/department shall submit a hire ePAF.
4. The hiring department must submit a termination or return from work break ePAF within 30 days of annual date of appointment.

Acting Designation

A designation of an employee who temporarily assumes the authority of a Director or above during a limited absence or when an interim appointment employee is not yet identified. Acting is not designated when it is the expectation of a person's position to fulfill the duties of a Director or above during an absence.

Acting Designation Process

The process to request an Acting Designation is as follows:

- The college/department shall designate an individual as “Acting” when a Director or above is absent and transition of authority is necessary.
- No formal compensation practice is designated and is discretionary.
- Acting designation employee will continue to perform their current duties.
- Acting designation employee must have or be granted appropriate Signature Authority to act on behalf of the absent leader.

Letters/Clauses

Interim Appointment Letter Template

<Date>

<Candidate>

Dear <Candidate>:

I am pleased to offer you the position of Interim <Title>, effective <Month Day, Year>.

You will serve in the <Salary Plan> position as the Interim <Title> and will assume the duties and responsibilities related to the position, reporting to <Manager>. This will include a bi-weekly interim stipend of \$X,XXX, making your annual salary \$XXX,XXX (\$XX,XXX base pay plus \$XX,XXX stipend) while you are in this role. As you know, we will conduct a national search for <Title>. If you do not apply or are not selected in that search, upon hiring a <Title> you will return to your position of <Title> and your salary will convert back to \$XXX,XXX annual base salary.

I am grateful for your willingness to take on this important duty and look forward to working with you more closely in the future. Please acknowledge acceptance of this offer by signing below.

Visiting Appointment: Multi-Year Limit Clause

Your employment is a visiting appointment as defined in university regulation [UCF-3.0122](#) and may cease with little or no notice as provided therein. The department may terminate this appointment upon the conclusion of any applicable search process. You may not be employed in visiting positions at UCF for more than a total of four years; the length of this appointment may be limited by the department’s needs and any previous visiting appointments. You should discuss these details with the hiring department. This offer replaces and supersedes any previous offer, appointment, or agreement that covers all or part of this period. Nothing in this appointment shall be deemed to create any right, interest, or expectancy of continued employment beyond this term, and no further notice of cessation of employment is required.

Visiting Appointment Clause: One Year Limit

Your employment is a visiting appointment as defined in university regulation [UCF-3.0122](#) and may cease with little or no notice as provided therein. The department may terminate this appointment upon the conclusion of any applicable search process and the appointment shall not exceed one year. This offer replaces and supersedes any previous offer, appointment, or agreement that covers all or part of this period. Nothing in this appointment shall be deemed to create any right, interest, or expectancy of continued employment beyond this term, and no further notice of cessation of employment is required.

USPS Time Limited Clause

This position is a “Time-Limited” appointment, and you should be aware of several aspects of this type of employment:

Funding for this position may be eliminated or reduced because of conditions beyond the control of the university which may result in termination of your employment before the anticipated end date. Funding also may be available to extend the appointment beyond the anticipated end date. In either case, you will remain a time-limited appointee (regardless of future title changes within the same position number) unless you are notified otherwise in writing. You are not entitled to appeal termination due to the expiration, cancellation, or reduction of funding. In accordance with university regulation [UCF-3.0123\(7\)\(g\)](#), there are no layoff rights associated with your time-limited appointment. However, you are entitled to all the rights, privileges, and benefits of regular, full- or part-time employment. You will still serve an initial probationary period while in a time-limited position.

If you are vacating a regular position to accept this appointment, you will have no rights to that position or any other position at the conclusion of this appointment. If your time-limited employment is terminated, you are not eligible for layoff rights. As always, you will have the opportunity to interview for other positions.

USPS Time Limited Appointment Clause: One Year Limit

This position is a Time Limited appointment as defined in university regulation [UCF-3.041](#) and may cease with little or no notice as provided therein. The department may terminate this appointment upon the conclusion of any applicable search process and the appointment shall not exceed one year. This offer replaces and supersedes any previous offer, appointment, or agreement that covers all or part of this period. Nothing in this appointment shall be deemed to create any right, interest, or expectancy of continued employment beyond this term, and no further notice of cessation of employment is required.

If you have any other questions about “Time-Limited” employment, do not hesitate to ask. Assistance is available from the Talent Acquisition and Employee Relations sections of Human Resources, at extension 3-2771.

Additional Pay Practices

Colleges and departments may request a salary supplement in the form of a One-time Performance Payment (OTPP) or a Temporary Pay Increase for additional duties as appropriate and outlined below and in the [Payment Guide](#).

Employee Eligibility Criteria

Employee must have a “satisfactory” rating (for A&P) or an “effective” rating (for USPS) on the prior year’s performance appraisal on file with UCF Human Resources.

Employee Recognition Award Program - OTTP

The UCF Employee Recognition Award Program is intended to recognize, and reward documented distinctive and exceptional achievements that go above and beyond an employee's core job duties and significantly contribute to:

- University initiatives
- Departmental initiatives
- Student success and/or improved student experience
- Improved operational efficiency
- Exceptional customer service

An OTTP may be appropriate to reward an employee for:

- the successful completion of a special project or assignment.
- assuming additional duties for a period generally less than six (6) months.
- a documented productivity goal achievement.
- going above and beyond and/or helping another employee.

The OTTP shall be considered non-recurring compensation and the amount will not be included in the compensation upon which state retirement benefits are calculated and are subject to tax and Federal Insurance Contributions Act (FICA) withholding as required by law.

Temporary Pay Increase (TPI)

A temporary increase may be requested for the assignment of additional duties that are beyond the scope of an employee’s current classification and are expected to continue for a period beyond six (6) months. This pay practice is used only in certain circumstances as outlined in the [Payment Guide](#).

Payment Guide

Interim Appointment

- 6 months or more, serving as a Manager level or above
- Assumes full responsibility for the vacant position
- Their duties are delegated
- Placed in the vacant position number
- Salary is determined based on current UCF Salary Administration Guidelines and credentials

Visiting Appointment (A&P)

- 1-4 years
- Salary is determined based on current UCF Salary Administration Guidelines and credentials

Time Limited Appointment (USPS)

- Renewable annually if need and funding exists
- Salary is determined based on current UCF Salary Administration Guidelines and credentials

Acting Designation

- <3 months
- Partial duties in addition to their own duties
- Payment is discretionary based on level of expectation and duties assumed
- One-time Performance Payment (OTPP) if applicable

Additional Duties TPI

- 6 months or more performing duties below a Manager level
- >75% additional duties
- Current duties may be delegated
- Will remain in their current position
- Ineligible for Additional Duties -OTPP
- Calculation based on a % of the salary grade minimum of the vacant position

Additional Duties or Filling in for a Vacant Position - OTPP

- <6 months generally
- Recommended Range will be calculated and provided by HR Compensation.
- Partial duties in addition to their own duties
- Request is made after completion of the assignment

Employee Recognition Award Program OTPP Recommended Award Ranges

These are recommended ranges and should not be interpreted as an expectation or requirement. Additional authorization may be required for requests that exceed these guidelines.

- The OTPP request must receive approval from the appropriate division head: the president, provost, or vice president (or their respective designee).
- The OTPP shall not exceed 15% of the employee’s annual salary.
- The OTPP shall not exceed \$5000, unless approved by the president (or designee).

Recommendations of Level of Accomplishment	Recommended Award Range
Additional Duties or filling in for a vacant position OTPP – Same or lower pay grade	\$250- \$1,500*
Additional Duties or filling in for a vacant position OTPP – 1 pay grade higher	\$500 - \$2,500*
Additional Duties or filling in for a vacant position OTPP – 2 or more pay grades higher	\$1,000 - \$3,500*
Spot Award - One-time contribution of an individual going above and beyond, special achievement, or helping another.	\$100 to \$1,000
Department Project Participant (Key Player)	\$500 - \$1,500
Department Project Leader	\$1,000 - \$2,500
University Project Participant (Key Player)	\$1,500 - \$3,000
University Project Leader	\$2,500 - \$5,000

**Broad ranges for reference are listed above. The actual Recommended Award Range will vary as it is based on a % of the salary grade minimum of the vacant position.*

Budget Requirements

The college or department must fund the OTPP from their own budget following the approval process of their respective VP division.

OTPP Process

1. The department shall request a preliminary OTPP analysis upon completion of the project, assignment, or accomplishment.
 - a. Email comp@ucf.edu for a preliminary analysis.
 - i. Include a signed formal justification in memorandum format from the requesting college or department.
 - ii. Include any applicable supporting documentation.
2. An ePAF shall be submitted for processing with the following attachments:

- a. Formal signed justification
- b. Supporting documents
- c. Compensation's Preliminary Analysis

TPI Process

1. The department shall request a preliminary analysis for a temporary pay increase upon determination that an employee will assume additional duties as per the guidelines above in the Payment Guide.
 - a. Email comp@ucf.edu for a preliminary analysis and include:
 - i. a signed formal justification in memorandum format from the requesting college or department.
 - ii. any applicable supporting documentation.
2. An ePAF should be submitted for processing with the following attachments:
 - a. Formal signed justification
 - b. Supporting documents
 - c. Compensation's Preliminary Analysis.

Red Circle Policy

An A&P or USPS employee whose salary exceeds the maximum for the job's salary range may be "red-circled." The incumbent may receive some level of salary increase, provided his or her performance is entirely satisfactory. The amounts of such increases, however, will vary depending on the availability of funds, performance, and internal equity. Amounts may be paid as a lump sum rather than as an adjustment to base salary.

Shift Differentials

Shift differentials are a designated dollar amounts and are not permanent increases. To be eligible, an employee's job must:

- Be identified as eligible by the appropriate vice president; or
- Be either a full- or part-time exempt or nonexempt USPS employee or temporary exempt or nonexempt Other Personal Services (OPS) employee.

Shift differentials are determined by an eligible employee's regular work schedule:

- Employees who work at least four hours of their regular eight-hour shift during evening hours (i.e., between 6:00pm and 12:00am) may receive a shift differential equal to 5% of the pay range minimum of the employee's respective class for the total hours worked on the shift.
- Employees who work at least four hours of their regular eight-hour shift during night hours (i.e., between 12:00am and 6:00am) may receive a shift differential equal to 10% of the pay range minimum of the employee's respective class for the total hours worked on the shift.

Retroactive Payments

Retroactive pay (retro pay) occurs when the deadline for submitting paperwork on a new hire or rehire has been missed.

Additionally, retro pay refers to money that is owed to an employee for work already performed at a lower wage rate.

Timing of Pay Adjustments

Retroactive pay adjustments may impose significant risks and costs for UCF and the employee benefits in terms of wages, employee relations, and administrative time.

Therefore, the following types of transactions are not permitted:

- Retroactive adjustments to base pay (i.e. special pay increases or merit increases)
- Retroactive effective date changes for position reclassifications
- Retroactive transfers of employees between positions or departments
- Retroactive transfers of employees that fall between biweekly payrolls

It is imperative that no commitments regarding the effective date for pay adjustments be made to employees until written authorization is received from the appropriate budgetary authority.

All appropriate paperwork should be completed and processed in advance of the effective hire or status change date. In all cases, the required adjustment should be effective with the beginning of the next pay period after written authorization has been received. Please refer to the Payroll Calendar sent out each month to know the appropriate dates to use.

Retroactive adjustments in funding sources (which do not impact pay rates or classifications) are not impacted by this pay practice.

Rare exceptions to this pay practice will be handled on an individual basis. HR will formally recognize in the case when a back payment is necessary to remediate an earlier nonpayment caused by an administrative error or operational oversight, such as misclassification or other failure to duly compensate for additional duties.

Approved pay adjustments will be made in the following on-cycle pay period or as soon as administratively possible.

Timing of Pay Adjustments as they related to Reclassification and Special Pay Increases

It is the department's responsibility to submit justification and revised job descriptions reflecting changes of duties in a timely manner. Retroactive actions can seriously affect exemption status (FLSA), bargaining unit membership and pay issues.

Once an employee has been performing the full scope of higher-level duties for six (6) months or more, the department may submit a request for a preliminary analysis on what is changing (refer to the Compensation Action Checklist on the HR-Compensation website). Upon receipt of a reclassification request, the compensation analyst has 30 days* to render a decision,

therefore departments should be prepared to provide any additional information the analyst may require within that time frame. If needed documentation cannot be made available or the employee being reviewed is not available for consultation, then the reclassification request will be suspended, and the department will be asked to re-submit when all supporting information can be provided.

After HR Compensation provides a preliminary analysis on the requested action, the department should then submit an electronic personnel action form (ePAF) that reflects the approved action. Requesting a preliminary analysis lessens the turn-around time of the formal ePAF significantly.

For non-represented positions, the effective date of a reclassification is the first full day of the first full pay period following HR-Compensation's approval of the completed ePAF request.

For represented positions, the effective date of a reclassification varies depending on the type of reclassification (within-unit or out-of-unit) and the collective bargaining unit. Please refer to the applicable collective bargaining unit agreement and/or consult with your Compensation Analyst. Most bargaining units require at a least two (2) week notification before a change can be made.

Reclassification of an in-unit, non-exempt position represented by PBA going to exempt:
Upon reclassification from an in-unit PBA position to an exempt position, all compensatory time balances will be paid to the employee using the same effective date as the reclassification action.

** This time frame may either be shortened or lengthened depending on variables such as workload, staffing, and special projects.*

Salary adjustments resulting from reclassification, career progression, or assumption of higher responsibilities within range will not be backdated further than the first pay period following the official signature date of HR-Compensation's approval.

Maintaining the Salary Program

Every 3 – 5 years, UCF HR will complete a thorough market analysis. UCF adheres to the following principles when conducting market pricing:

- Market data is sourced from credible published salary surveys with a representative number of organizations reporting data;
- Matches are selected based on the content and essential functions of the job and not on title alone; and
- Survey comparison markets are aligned with the talent pool or labor market for the job.

Between market analysis studies, UCF Human Resources may adjust salary ranges in order to maintain growth/pace with the market. UCF HR will adjust the salary ranges based on growth rates for the Higher Education industry supplied in a reputable survey source.

UCF is committed to sound financial stewardship of the compensation program, and will provide appropriate salary increases, budget permitting. Unless otherwise specified, these guidelines apply to both USPS and A&P classified employees.

UCF reserves the right to interpret the policies, rules, sections, and provisions contained in these guidelines, as it deems appropriate. UCF also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate, or withdraw any or all the policies, rules, sections, and provisions of these guidelines at any time, unilaterally, with or without prior notice.

Career Path Guidelines

Career paths provide employees with information on how to progress from one job to another. Often a career path provides details on the types of jobs/roles, criteria, and skillsets/qualifications for job movement. The most typical career path is movement from an employee’s current role to a higher-level role within the same functional area. However, another career path could be a lateral move from an existing job to another related job at the same level, but in a different functional area/division/department.

In order to progress through the career path, an individual must exhibit the level of competency/experience within his/her current role and must consistently meet and exceed performance and job expectations on most key job requirements for a sustained period of time. When an individual is considered for a career progression opportunity, a manager may consider the employee’s contributions using the metrics described below. In order to progress, an employee should exhibit “Mastery” for the majority of his/her current job responsibilities and “Demonstrating” or “Learning” for the next level within the career progression framework.

The career framework will also be linked generally to an employee’s placement within the salary structure. Career level and grades may not always be a 1:1 match because grades are defined primarily using market data, while the career framework considers unique circumstances at UCF and within the functional area. Employees should work directly with their respective college/division HR and manager/supervisor to review both the career path and decisions related to job movement within the salary structure.

Career framework guidelines:

Rating	Instructions	Example
Too Soon to Rate/ Cannot Assess	Use if employee is new in the position (i.e., hired within the last three months) and it is too soon for manager to assess behaviors	N/A
Does Not Demonstrate	Use if not demonstrating or rarely demonstrating the behaviors	An individual who has had the opportunity to demonstrate a competency but has not done so
Learning	Use if employee understands what is required for effective performance and actively takes steps to develop these behaviors	An employee learning a competency asks questions and seeks guidance from others before taking action
Demonstrating	Use if employee consistently demonstrates the behaviors resulting in enhanced performance	An employee demonstrating a competency identifies options, determines alternatives, and informs his/her manager of decisions before and while taking actions
Mastery	Use if employee consistently serves as a role model and demonstrates the behaviors over a period of time and in various settings leading to enhanced results and value contribution	An employee serving as a role model for others and demonstrating dedication, continual learning, and fulfilling potential

FLSA and Wage/Hour Guidelines

Exempt/Non-Exempt Status and Overtime Pay

Federal and state laws require that overtime be paid for certain jobs that are not exempt from the overtime requirements and therefore entitled to overtime pay for all time worked beyond 40 hours in a week.

All jobs fall under one of the two categories below:

1. **“Exempt”** refers to jobs that are excluded from these overtime requirements. This means that incumbents are not entitled to overtime pay if the job is “exempt” regardless of how many hours are worked.
2. **“Non-exempt”** refers to jobs that are not exempt from legal overtime requirements. This means that incumbents in non-exempt jobs are entitled to overtime pay for all time worked beyond 40 hours in a week. The overtime rate of pay is 1½ times the regular hourly rate for each hour worked. Prior to working beyond the normally scheduled hours, the incumbent must obtain approval from his/her manager/supervisor. According to the FLSA, UCF can be penalized for failure to pay for unauthorized time worked.

In accordance with legal requirements, the classification of a job as exempt or non-exempt depends on the content of the job as outlined in the federal regulations. Criteria include type of job responsibilities, reporting relationships, and/or qualifications of the person. It does not depend on how the employee (or manager/supervisor) wants to classify the job. UCF Human Resources will make the final decision as to whether a job is exempt or non-exempt based on an analysis of the job as compared to federal regulations.

Pay for All Time Worked (Non-Exempt Employees Only)

It is the responsibility of the manager to communicate when overtime is and is not necessary for the employee. In order to adhere to the budget, managers must inform employee in advance of restrictions in the number of overtime hours worked.

It is the responsibility of the employee to follow managerial guidance and to work overtime only when it is approved by his/her manager/supervisor.

Please refer to the Department of Labor’s website for additional details on FLSA:
<https://www.dol.gov/agencies/whd/flsa>

Common Compensation Terms and Definitions

The following terms are commonly used when discussing compensation.

A

Americans with Disabilities Act—Prohibits employment discrimination against people with physical and mental disabilities. An employer cannot discriminate against a qualified individual because of disability in regard to hiring, discharging, compensating, promoting, and other terms, conditions, and privileges of employment.

B

Base Salary/Pay—The rate paid by the hour, week, month, or year to an individual for the job performed. This does not include shift differentials, overtime, incentives, benefits, or any other pay element other than base pay.

Benchmark Job—A job commonly found in the marketplace which is used as a reference point for making pay comparisons. Benchmark jobs have well-known and stable contents.

C

Compa Ratio—The ratio between current pay to the salary range midpoint assigned to the job. A compa ratio is used to determine the relationship of an employee's pay to the midpoint or some other control point of the salary range. It is also used to assess how an employee's pay is moving through the assigned salary range.

Compensable Factor—Any factor used to assess the value of job content in a job evaluation method. Typical compensable factors are knowledge and skill, problem solving, decision making, accountability, impact, and communication skills.

Compensation Budget—A salary plan used to allocate dollars to pay for salaries during a fiscal or calendar year.

Compensation Philosophy—A set of principles that guide the design and administration of a compensation system toward supporting the mission and business plan of an organization.

Compression—Pay differentials too small to be considered equitable. In some organizations, the term may apply to differences between.

Pay of supervisor and subordinates; Pay of experienced and newly hired employees in the same job; or Midpoints in successive grades.

Consumer Price Index—An economic indicator used to gauge the cost of living published by The Bureau of Labor Statistics and U.S. Department of Labor. It measures price changes for a fixed market basket of goods and services typically purchased.

E

Equal Employment Opportunity Commission (EEOC)—A commission of the federal government charged with enforcing the provisions of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Equal Pay Act of 1963, and other fair employment practices legislation.

Equal Pay Act of 1963—An amendment to the Fair Labor Standards Act of 1938 prohibiting gender-related pay differentials on jobs that are substantially equal in skill, effort, responsibility, and working conditions unless the differences exist due to a seniority, merit- or production-based pay system, or any other job-related factor other than gender.

Exempt—Employees exempt from the overtime provisions of the Fair Labor Standards Act. Generally, this group includes executives, administrative/professional employees, and outside sales.

External Equity—A measure of an organization's pay levels or salary ranges compared to that of its labor market competitors. External equity implies that the employer pays wages that are competitive with prevailing external market pay rates, as determined by market pricing.

F

Fair Labor Standards Act (FLSA)—A federal law governing minimum wage, overtime pay, child labor, and recordkeeping requirements.

Family and Medical Leave Act (FMLA)—The 1993 act that requires employers with 50 or more employees to provide up to 12 weeks of unpaid leave after childbirth or adoption; to care for a seriously ill child, spouse or parent; or for an employee's own serious illness.

G

I

Incentive Compensation—A reward that compensates an employee for high performance or for achievement above and beyond the defined normal job requirements.

Internal Equity—A standard that fairly establishes a pay level that corresponds to each job's relative value to the organization.

J

Job Classification—A hierarchical structure of jobs, usually arranged into classes or pay grades according to some form of job evaluation.

Job Description —A document that outlines the most important features of the job including the general nature of the work performed, key responsibilities, and employee characteristics (e.g., skills, experience, education, etc.) required to perform the job.

Job Evaluation—A formal process to determine the relative value to be placed on various jobs within the organization. The end result of job evaluation consists of an assignment of jobs to a hierarchy of grades.

Job Family—Jobs involving work of the same nature but requiring different skill and responsibility levels. For example, Accountant is a job family; Accountant III is a job (skill/responsibility level) within that family.

Job Grade—One of the classes, levels, or groups into which jobs of the same or similar value are grouped for compensation purposes. Usually, all jobs in a grade have the same pay range: maximum, minimum, and midpoint.

Job Title—A label for a job that uniquely identifies it.

M

Market Pricing—A process that sets the rates (values) to be paid for a job to the organization's best estimate of the current value for that job in the external marketplace.

Merit Increase—An adjustment to an individual's pay that is based on performance as measured through a performance appraisal.

N

Nonexempt—Employees who are subject to the minimum wage and overtime pay provisions of the FLSA.

P

Performance Appraisal—A system to determine how well an individual employee has performed during a period of time. Frequently used as a basis for determining merit increases.

Performance Management—A managerial process which consists of planning performance, managing performance through observation and feedback, appraising performance, and rewarding performance.

Promotion—The assignment of an employee to a job in a higher job classification or pay grade.

S

Salary—Compensation paid by the week, month, or year (rather than per hour). Generally, applies to nonproduction, nonroutine or supervisory jobs that are exempt from the provisions of the FLSA, but some nonexempt jobs are salaried as well.

Salary Budget—An amount or pool of money allocated for payment of salaries during a specified period. Salary budgets must be considered when planning structure adjustments or individual employee adjustments.

Salary Range—The range of pay rates, from minimum to maximum, set for a pay grade. Used as a policy for setting individual employee pay or salary rates.

Salary Range Width—The width or spread of a pay grade range, measured by the ratio:

$$\text{Width} = \frac{\text{maximum pay} - \text{minimum pay}}{\text{minimum pay}}$$

Salary Structure—The structure of job grades and pay ranges established within an organization. The salary structure may be expressed in terms of job grades, job evaluation points, or policy lines.

Salary Survey—The gathering of data on wages and salaries paid by other employers for benchmark jobs.

T

Total Cash Compensation—The total cash payment made to an individual in the form of compensation in a given year.

Total Compensation—The complete pay package for employees, including all forms of money, benefits, services, and in-kind payments.

W

Working Titles—Unofficial job titles that can be used to more appropriately provide clarity for job postings or convey a message to the outside world of the work performed. Working titles are permitted if needed for purposes stated above, and as long as the working title does not misrepresent the authority or the function of the position.