

UAB Academic/Administrative Compensation Guidelines
FY19
Published June 2018

As we continue to assess how to best invest limited institutional resources, it is imperative that we implement and promote faculty and staff compensation practices that effectively support our most important asset, our people. To assist our academic and administrative units with these decisions, the following Compensation Guidelines are provided for the FY19 budget year.

In order to reward the performance of our faculty and staff we will have a 2% merit pool. The incremental revenue generated from tuition and Indirect Expense Recovery (IER) should be used to cover this merit pool for the College and Schools. Funds will be made available for all Central units.

The Exceptional Performance Program (EPP) remains in place as a way to recognize those faculty and staff who have exhibited extraordinary performance during the past year. We are providing the option of a one-time lump sum payment to those colleges/schools/departments that have identified resources and put forth a distribution plan that focuses on recognizing only unique performance excellence and meets other guidelines set below. All payout plans associated with this program will require prior approval from the Provost, Sr. Vice President for Financial Affairs and Administration (SVPFAA) or their designee.

The process document for merit increases, Fixed Increment Payments (FIP) and the Exceptional Performance Program (EPP) will be provided separately.

For October 1, 2018

- Faculty Promotion/Tenure
 - Faculty promotions may be funded if endorsed by appropriate College/School/Library Dean.
 - All faculty promotions will be effective 10/1/2018.

- Pay Ranges
 - The UAB General Pay Range Structure will not be adjusted for FY19.
 - Faculty ranges are submitted to the Provost Office for review and approval each year. For FY19, submit any proposed range changes to the Provost Office by 07/26/18.
 - All employees must be paid at least the minimum of the range.

- Salary Distribution Plans
 - No later than 7/16/2018, each college/school/department must declare to the Provost or the SVPFAA and copy the Executive Director-Compensation on their intent to either:
 - Provide a merit pool and the estimated amount (FIPs are included) or
 - Provide limited EPP adjustments
 - Plans should include total salary pool dollars to be made available (with % of total salary base this represents), planned ranges for individual increases (e.g. 0-5%), and planned distribution strategy (e.g. 20% of merit recipients to receive 5%, 40% to receive 2-4%, etc.). All Plans should identify funding sources utilized.
 - The template for the Salary Distribution plan is included in the appendix of this document.

Note: Employees are not allowed to receive both a merit increase and an EPP payment.

- Merit Increases - For those colleges/schools/departments that elected to give merit increases:
 - All merit-based salary increases must align with individual performance. Typically, performance of at least satisfactory (3 or higher) should be reflected for those receiving a merit increase.
 - Copies of performance evaluations should be sent to Human Resources (HR) via the HR custom application.
 - Any market or equity components of Salary Distribution Plan need to be identified and addressed separately.

- Employees must have completed their six-month probationary period in order to be eligible for a merit increase.
 - Individual salary increases of more than 15% will require prior Provost, SVPFAA or their designee's approval.
 - Details for FIPs must be submitted via Compensation Request Form (CRF) for HR review prior to Provost, SVPFAA or their designee's approval. Submissions are due 8/13/2018 with an effective date of 10/1/2018 for exempt and 9/30/2018 for nonexempt employees.
- Exceptional Performance Payment (EPP) Program - For those colleges/schools/departments that elected this option:
 - The EPP program is designed to recognize faculty and staff for exceptional performance with a lump sum payment.
 - EPPs may not be used as across-the-board lump sum payments.
 - EPPs must be funded at the department level and approved by the Provost, SVPFAA or their designee.
 - Eligible faculty and staff must meet the following criteria:
 - Most recent performance review (within last 12 months) must reflect higher than satisfactory performance (4 or higher). Copies of employee evaluations must be sent to HR via the HR custom application.
 - Employee is not in probationary period.
 - For those faculty and staff paid from sponsored projects, EPP payments must be spread out and paid in equal installments over 6-12 months.
 - Details for EPPs must be submitted via CRF for HR review prior to Provost, SVPFAA or their designee's approval. Submissions are due 8/13/2018 with an effective date of 10/1/2018 for exempt and 9/30/2018 for nonexempt employees.
- Performance assessment
 - Since merit increases, FIPs and EPPs should be based on documented performance over the past fiscal year, anyone receiving one of those increases will need to have a documented performance assessment on file.
 - Actual performance evaluation ratings and supporting documentation must be provided via the HR custom application.
 - Instructions for the HR custom application will be provided separately.
- Market, Internal Equity and other Adjustments
 - All colleges/schools/departments may fund market adjustments and/or internal equity adjustments where appropriate and when current satisfactory performance review is on file.
 - Details for market and internal equity adjustments must be submitted via CRF for HR review prior to Provost, SVPFAA or their designee's approval. Market or equity studies finalized and approved by 9/1/2018 may be implemented as soon as 10/1/2018. Studies may continue to be requested via CRF throughout the year with effective dates after 10/1/2018.
 - Market adjustments address pay differences as compared to markets external to UAB. Since range midpoints generally reflect market averages, salaries considered below market are only those between pay range minimum and pay range midpoint.
 - Equity adjustments address pay differences as compared with others internal to UAB. Requests for equity adjustments should consider all like employees in a college/school/department (i.e. similar titles, grades, etc.).
 - Base salary increases for employees who are above range maximums will not be considered.
 - Base salary increases for employees who are between pay range midpoints and maximums will be considered in limited cases where there are recruitment and/or retention issues and employees have extensive related experience.
 - Across-the-board base salary or one-time increases for all college/school/department employees will not be considered.

For October 1, 2018 and Beyond

- Incentive Plans
 - Previously established compensation incentive plans must be submitted via CRF for recertification as required by existing incentive plan guidelines by 9/1/2018.
 - New incentive plan proposals must be submitted via CRF by 9/1/2018 to be considered for implementation in FY19.
 - Please refer to incentive plan proposal guidelines for further information or contact your HR Consultant or HR Compensation.

- Lateral Transfers
 - Salary adjustments for lateral transfers must be submitted and reviewed by HR with support by the applicable College/School/Department VP, Dean or designee. A lateral transfer is defined as movement to the same or lower job grade regardless of title. HR will review and submit to the appropriate UAB senior administrator (Provost, SVPFAA or designee) for final approval as required.

- New Hires
 - New hires may proceed in accordance with established UAB and departmental policies provided funding is available. New hires do not require HR approval if within salary range. Internal equity must be considered when determining new hire pay rates.

- New Positions/Reclassifications
 - New positions/Reclassifications may be requested under established HR procedures via CRF. These will be reviewed by HR Compensation to determine appropriate job title and pay grade for position. These requests require approval from applicable College/School/Department VP, Dean or designee. *Please note: once a position has been reviewed for reclassification, it is not eligible for review again for a minimum of 12 months.*

- Retention Salary Adjustments
 - Retention salary adjustments will be reviewed on a case-by-case basis. Review and approval are required from College/School/Department VP, Dean or designee.

- Salary Adjustments
 - Salary adjustments for probationary, job rate and established step rate programs (including graduate assistantships/stipend increases, resident progression and student salary adjustments) may proceed in accordance with established UAB and departmental policies provided funding is available. These adjustments must be funded by the college/school/department and approved by appropriate VP, Dean or designee.

- Additional Duties Pay
 - Requests for additional duties pay must be reviewed by College/School/Department VP, Dean or designee prior to submission via CRF for HR review and approval. Please note: additional duties should be in the same department, temporary in nature (six months or less) and approved PRIOR to the work being performed. Payment is typically 10% or less of an individual's base pay rate.

- Special One-Time Payment
 - Requests for special one-time payments must be reviewed by College/School/Department VP, Dean or designee prior to submission via CRF for HR review and approval. Please note: these payments may be for special recognition or work performed outside of the employee's regular department.

- Promotional Increases
 - Staff promotions of 15% or less within the new range will NOT require a CRF. The percentage increase to bring the employee to the minimum of the new range does not factor into this policy since employees must be brought to range minimum. Internal equity should be considered and addressed.
 - Staff promotions greater than 15% within the new range require a CRF. The percentage increase to bring the employee to the minimum of the new range does not factor into this policy since employees must be brought to range minimum. Internal equity should be considered and addressed.

Following is a summary of review and approval processes for FY19 compensation actions:

VP/Dean or Designee Approval only. Requires **no** review by HR (Does NOT require CRF):

- a. Graduate assistantship with annual stipend increase
- b. New hire with proposed salary within salary range
- c. Merit increases
- d. Probationary increase of 10% or less
- e. Resident progression increase
- f. Salary share adjustment between two or more funding sources where the total salary does not change (e.g. HSF/UAB/VA/UABHS)
- g. Staff promotion of 15% or less within the new range or to new range minimum
- h. Student salary adjustment
- i. Irregular salary adjustment

VP/Dean or Designee Approval after initial review/approval by HR (Requires CRF):

- a. Probationary increase greater than 10%
- b. Reclassifications
- c. Requests for new positions
- d. Staff promotions greater than 15% within the new range
- e. Lateral transfers with increases of 10% or less
- f. Additional duties pay
- g. Special one-time payments
- h. Retention salary adjustments of 10% or less

UAB senior administrator (Provost, SVPFAA or Designee) approval after full HR review/approval and endorsement by appropriate VP, Dean, Director or Designee (Requires CRF and higher approval):

- a. Faculty tenure/promotions – does not require CRF
- b. FIPs
- c. Incentive Plans – new or previously approved
- d. Market or equity adjustment payments
- e. EPP payments (with justification)
- f. Lateral transfers with increases greater than 10%
- g. Merit-based salary increases that include:
 - Market or equity component
 - Merits greater than 15% (with justification)
- h. Retention salary adjustments greater than 10%

Any questions or concerns regarding these guidelines should be directed to your HR Consultant or HR Compensation.

APPENDIX
Salary Distribution Plan Template for FY19

A fillable PDF of this template can be found online at uab.edu/compensation, under Compensation Guidelines.

College/School/Unit:	
Responsible Party:	
Total Merit Increase Pool (FIPs included)	<u>Instructions:</u> Provide the total dollar amount for the department's merit increases and FIPs (Fixed Increment Payment). <u>Example:</u> \$300,000
Percent of Total Salary Base	2.00%
Market/Equity Adjustments	<u>Instructions:</u> Provide the \$ amount for market and/or equity adjustments and number of employees that will receive the market and/or equity adjustment. <u>Example:</u> \$15,000 total for equity; 6 employees to receive equity adjustments
EPP Adjustments	<u>Instructions:</u> Provide the \$ amount for EPPs (Exceptional Performance Payments) and number of employees to receive an EPP. <u>Example:</u> \$5,500 total for EPP; two employees to receive an EPP
Planned Ranges for Individual Increases	<u>Instructions:</u> Provide the percent range for your merit increases. <u>Example:</u> 0% to 7%
Planned Distribution Strategy	<u>Instructions:</u> Provide distribution strategy for your employees. <u>Example:</u> 70% will receive a 2% increase 20% will receive less than a 2% increase 10% will receive greater than a 2% increase
Funding Sources Utilized	<u>Instructions:</u> Provide details on how the merits, FIPs, and EPPs will be funded (e.g. Ledger accounts). <u>Example:</u> Revenue from Ledger 2 account and cost savings
Additional Notes	Considering funding for EPPs

Note: Employees are not allowed to receive both a merit increase and an EPP payment.