# TABLE OF CONTENTS

1. Introduction ................................................................................................................... 2

2. Program Governance ................................................................................................... 3

3. Program Overview ........................................................................................................ 5

4. Administrative Guidelines ............................................................................................. 8

5. **Compensation Administration** .................................................................................. 8
   - New Hire Pay Determination .................................................................................. 8
   - Promotions .............................................................................................................. 8
   - Demotions ............................................................................................................... 9
   - Transfer/Lateral Moves ........................................................................................ 9
   - Pay Structure Movement ...................................................................................... 9
   - Merit Increases ....................................................................................................... 9
   - In-Range Pay Adjustments .................................................................................... 10

6. **Mapping of Positions** ............................................................................................ 10
   - Mapping New Positions ........................................................................................ 10
   - Remapping of Existing Positions with Incumbent (Incument Review) .................. 10
   - Temporary Changes to Job Duties ........................................................................ 11
   - Working Title ......................................................................................................... 12
   - Part-time Employees ............................................................................................. 12
   - Retention Offer ..................................................................................................... 12
   - Exception Requests .............................................................................................. 12
   - Effective Date of Pay Changes ............................................................................ 12

7. **Additional Compensation** ......................................................................................... 13
   - Other Professional Services Compensation (OPS) ............................................. 13
   - Supplemental Compensation ............................................................................... 13
   - Other Components of Pay .................................................................................... 14
   - Appendix A ............................................................................................................ 15
   - Compensation Decision Matrix ........................................................................... 15
   - Appendix B ............................................................................................................ 16
Introduction

The University of Arizona’s compensation program for University Staff employees is designed to attract, retain, and motivate a highly talented and committed workforce in support of the University’s mission and goals. Compensation administration guidelines play a critical role in the effective administration of pay under the University’s Career Architecture Project (UCAP). The guidelines operationalize the program and establish a structured yet flexible compensation administration process to be used across the University of Arizona, in order to:

- Establish and maintain a competitive compensation structure based on comparisons to appropriate external labor markets while also considering internal job worth
- Provide a consistent approach to compensation decisions under a variety of circumstances, such as new hires, promotions, lateral moves, job changes, etc.
- Administer the compensation program strategically, consistently, effectively, efficiently, fairly and equitably
- Provide managers with guidance when making or recommending compensation actions
- Legally compliant with all relevant federal and state statues, and designed to ensure sound stewardship over available compensation funding
- Enable the University to have a meaningful and effective compensation program, that will be reviewed and updated as needed to reflect institutional and market changes

This document describes the administrative guidelines that exist at a University level and is intended to ensure that pay decisions are administered in alignment with the career architecture and consistently across the institution.

The University is committed to a policy of equal opportunity in every aspect of its operations. The University values diversity and seeks talented employees from a variety of backgrounds. Accordingly, the University does not discriminate on the basis of sex/gender, race, age of 40 or over, color, religion, national or ethnic origin, sexual orientation, disability, marital status, military leave, veteran status and any other status protected by law, in matters pertaining to employment. Questions or concerns regarding the University’s equal employment opportunity (EEO) policies and programs should be directed to the Office of Institutional Equity.
Program Governance

The compensation program has been designed to meet the needs of the university’s colleges and divisions to effectively retain, recruit, motivate, and develop administrators and staff. Leadership, the Division of Human Resources, Managers and Employees have important roles to play in program governance.

<table>
<thead>
<tr>
<th>University Leadership</th>
<th>University leadership plays a pivotal role in ensuring that the compensation program is competitive and equitable, administered in accordance with its design, and maintained to ensure on-going relevance. Specific responsibilities include the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Support and promote the program including the development and maintenance of the program</td>
</tr>
<tr>
<td></td>
<td>• Hold managers in their respective colleges/divisions responsible for administering compensation consistent with these guidelines</td>
</tr>
<tr>
<td></td>
<td>• Promote the program to employees as an important and effective component of a well-run institution</td>
</tr>
<tr>
<td></td>
<td>• Support the Division of Human Resources in maintaining adherence to the program</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Division of Human Resources</th>
<th>The Division of Human Resources and the Compensation Team are responsible for administering the compensation program and ensuring pay decisions are competitive, equitable, and meet regulatory standards. HR will partner with the institution’s colleges/divisions providing specialized experience and expertise to:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Facilitate the development of the program design, job architecture, and administrative guidelines</td>
</tr>
<tr>
<td></td>
<td>• Administer and maintain the University’s pay structure</td>
</tr>
<tr>
<td></td>
<td>• Provide information, education and advice on market practices, trends, and analysis to leadership and managers</td>
</tr>
<tr>
<td></td>
<td>• Assess and respond to employee questions and concerns regarding their compensation</td>
</tr>
<tr>
<td></td>
<td>• Provide support, analysis, and data related to compensation</td>
</tr>
<tr>
<td></td>
<td>• Participate in various compensation surveys</td>
</tr>
<tr>
<td></td>
<td>• Audit how compensation is administered to ensure legal compliance, equity and alignment with effective compensation practices</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Colleges/Divisions</th>
<th>College and Division Leadership are responsible for ensuring compensation decisions are competitive, equitable, and meet regulatory standards. Specifically, colleges/divisions are responsible to:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Obtain and maintain knowledge of the program and how it impacts employees in their area of responsibility</td>
</tr>
<tr>
<td></td>
<td>• Support the program and adhere to the compensation guidelines to ensure compensation decisions are competitive, equitable, and meet regulatory standards</td>
</tr>
<tr>
<td></td>
<td>• Consult with the Division of Human Resources/Compensation to ensure alignment of compensation with guidelines</td>
</tr>
</tbody>
</table>
• Communicate positively with employees to inform them on the program and how it affects them

Managers  
*Managers play a critical role in ensuring credibility, consistent application of the guidelines and communication with employees. Specifically, managers are responsible to:*

- Obtain and maintain knowledge of the program and how it impacts employees in their area of responsibility
- Support the program and following its guidelines in making pay decisions
- Consult with the Division of Human Resources/Compensation to ensure alignment of compensation with guidelines
- Communicate positively with employees to inform them on the program and how it affects them

Employees  
*While employees are not responsible for making compensation decisions or actively managing the program, they do have other important responsibilities such as to:*

- Understand the program by familiarizing themselves with the information provided by the University
- Discuss questions or concerns with their manager
- Perform job responsibilities effectively and ask for guidance when necessary
Program Overview

Pay grades reflect both the role of the job within the University, and external market practices.

The University is a complex organization with a wide variety of jobs, and the institution competes in a wide variety of markets, depending upon the job. The Division of Human Resources and Compensation collects and analyzes market data from multiple markets including other public higher education institutions, as well as the broader marketplace. Compensation uses carefully selected reliable salary surveys that are conducted and published on a regular basis by reputable independent survey firms to ensure that the University has access to current and quality data.

The University will continue to monitor the market and will recommend adjustments to the pay structure, as appropriate, to ensure that it continues to reflect competitive pay.

The pay ranges associated with the grades align with market salary rates and accommodate a broad spectrum of knowledge, skill, experience and performance levels of employees.

The “Managing within Pay Ranges” model provides a framework for administering equitable and appropriate salaries. This framework should be used as a reference when making compensation decisions, whether for a new hire or for current employees being promoted or undergoing a job change.

Employees should be paid within the pay range associated with their job’s grade.

- Effective 03/01/2020, compensation for University Staff must not be below the pay grade minimum for the assigned job.
  - Grant-funded positions are also expected to be brought up to minimum by March 1st. Requests for hardship consideration should be submitted to your unit leadership for review/submission to their respective Senior Vice President.
- Similarly, employees should not be compensated above the maximum of the pay range for their job. Upon the implementation of the pay structure on January 27, 2020, any employee that was above the maximum of their assigned pay grade will be grandfathered in and will not receive a decrease in pay but will be considered “red-circled”. Please see more details on this in Section 4, Annual Merit Increases.
The responsibilities, skill requirements and market data for a job determines the assigned pay grade. The knowledge, skills, experience and performance of an individual, as well as financial resources, inform position within the pay range.
## Managing within Pay Ranges

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Quartile</strong></td>
<td>Meets minimum qualifications of the job. However, may be fairly new to the job or field. Building both skills and knowledge as well as the ability to handle the full breadth of job duties and responsibilities. Employee is working towards proficiency in the job.</td>
<td>Possesses all/most of the knowledge and skill requirements, but may need to build upon them through experience. Performs job responsibilities with increasing effectiveness. May still be learning some aspects of the job or developing expertise to handle the job more independently and effectively.</td>
<td>Significant relevant experience and possesses all required knowledge and skills. Seasoned and proficient; consistently exhibits sustained high-level of proficiency in all aspects of job over an extended period of time. Has broad and deep knowledge of own area as well as related areas.</td>
</tr>
<tr>
<td><strong>Second Quartile</strong></td>
<td>Typical zone for starting salary for individuals who meet minimum qualifications and are anticipated to have an on the job learning curve.</td>
<td>Typical zone for starting salary for individuals experienced in most job responsibilities.</td>
<td>Unlikely to be a typical zone for starting salary except for individuals with extensive direct job experience.</td>
</tr>
<tr>
<td><strong>Third Quartile</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fourth Quartile</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Employee Characteristics**

**Hiring Guidelines**

- Typical zone for starting salary for individuals who meet minimum qualifications and are anticipated to have an on the job learning curve.
- Typical zone for starting salary for individuals experienced in most job responsibilities.
- Unlikely to be a typical zone for starting salary except for individuals with extensive direct job experience.
- Rarely appropriate as a zone for starting salary.
Administrative Guidelines

The illustration in Section 3 shows how pay should be managed within a grade. All pay actions should take these principles into account, and doing so will help administer competitive and equitable pay across the University.

Compensation Administration

New Hire Pay Determination
It is important to establish an appropriate pay for all new hires to the University that both reflects the employee’s relevant skills, knowledge, expertise and experience and is equitable compared to current University employees.

Hiring managers should review the “Managing within Pay Ranges” guidelines and assess the candidate’s qualifications to determine the appropriate pay positioning. Salaries of current employees in similar roles, both within the college/division and across the institution, should also be reviewed at this time to ensure pay equity.

Offers up to the pay grade’s midpoint can be made without additional justification; potential offers above the midpoint must be sent to Compensation with written justification before making a salary offer at a rate higher than what is considered “market”. The reasoning should be based upon how the candidate exceeds the minimum qualifications of the position, such as experience, skills, certifications and/or education they possess that justifies an offer above midpoint.

Promotions
A promotion is defined as the movement to a job in a higher pay grade. It is important to note, only applicants who meet minimum qualifications can be considered for the promotion. Such a move generally warrants an increase in base pay to recognize higher level responsibilities and to ensure that the compensation for the new job is consistent with market and internal equity. An exception may occur if the employee’s current compensation is high in the pay range for the new job and a base pay increase is not necessary.

Compensation will work with colleges/divisions to determine an appropriate salary within the new pay range, based on the employee’s skill, knowledge, experience, performance, and internal equity. Since circumstances vary and each employee has a different salary history, it is important to consider multiple factors including:

- Degree of increase in responsibilities
- Demonstrated sustained performance, knowledge and skills
- Current pay in relation to the new pay range
- Salaries of other similarly situated employees

The goal is to start the employee at the appropriate point in the pay range for the new job, rather than apply a uniform promotional increase in all circumstances. Typically, a promotional increase would range from 5-15% (or to the minimum of the pay grade) per pay grade. Promotional increases that are above the midpoint of the new pay range or greater than 15% per pay grade are an exception to guidelines. Compensation changes outside guidelines for a promotion must follow
the process for an exception request (see Decision Matrix in Appendix A). Please review the Recruitment Guidelines for when a position might be required to be posted.

In addition to an upward adjustment in pay grade, if a position has been reviewed and resulted in an upward level movement such as moving from an OC1 to an OC2 with no change in pay grade, the department may consider an increase of less than 5%. Anything above 5% would follow the process for an exception request (see Decision Matrix in Appendix A).

**Demotions**
A voluntary demotion occurs when an employee applies for a job in a lower pay grade. A demotion generally warrants a pay decrease, typically a 5-15% per pay grade decrease, or an equivalent compa ratio analysis as derived by Compensation. Compensation changes outside guidelines for a demotion must follow the process for an exception request (see Decision Matrix in Appendix A). If an employee's current salary is below the midpoint of the new pay grade, a pay decrease may not be applicable. Appropriate employee compensation should be determined by evaluating the incumbent's current pay, the pay range associated with the lower pay grade, the knowledge, skills and performance of the incumbent, and pay of other similarly situated employees.

If a demotion is due to reorganization, the Division of Human Resources will evaluate circumstances on a case by case basis. Only applicants who meet minimum qualifications can be considered for the position.

**Transfer/Lateral Moves**
A transfer/lateral move occurs when an employee takes a job in the same pay grade. Only applicants who meet minimum qualifications can be considered for a transfer/lateral move. Since jobs in the same grade are generally equivalent in terms of responsibilities, requirements and market salary, a salary adjustment is usually not warranted. However, if a pay change is proposed, typically a lateral move warrants a salary increase less than 5%. Compensation changes greater than the midpoint of the pay range or greater than 5% must follow the process for an exception request (See Decision Matrix in Appendix A).

**Pay Structure Movement**
In accordance with the University’s compensation philosophy, the pay structure will be reviewed on an annual basis. Recommendations to adjust the pay structure are made in accordance with external market movement. After adjusting the pay structure if an employee is paid below the minimum of the assigned pay grade, their compensation must be increased to be within the assigned pay grade.

**Merit Increases**
The University intends to reward employees for performance through merit increases. Each year, leadership will evaluate market conditions and the institution’s financial circumstances to determine whether the fiscal resources will support a merit increase and, if so, the amount of the funds available.

Merit increases will vary by performance, in accordance with annual guidelines provided by the institution. Previous guidance has included the following exceptions to employee merit increase eligibility, subject to change according to future annual guidelines:

- Anyone hired within 6 months prior to the merit review date
- Employees whose recent performance is documented as unsatisfactory.
• Employees whose salaries are above the pay range maximum. These employees may be eligible for a lump sum merit payment if performance warrants.

If a merit increase would bring an employee’s new salary to an amount that is at or below the new maximum for the pay grade of the job, then the entire increase will be added to the employee's base pay.

If a merit increase would bring an employee’s new salary to an amount that exceeds the maximum for the pay grade of the job, then the employee's situation is described as "red-circled". Red-Circled employees receive the merit increase as a lump-sum payment. If the old base pay is below the pay grade maximum, but the merit increase would place the salary above the pay grade maximum, then a first portion of the raise is used to bring the new base pay up to the new pay grade maximum, and the remaining portion of the raise is provided in the lump-sum payment.

The lump-sum portion of a raise is subject to retirement withholding, and therefore does count in the calculation of retirement income. The result of this approach is that normal raises "compound," with each year's raise being calculated on a higher base pay, except for "red-circled" employees, whose base pay does not increase until the pay structure "catches up" with them.

**In-Range Pay Adjustments**

While most compensation reviews will occur on an annual basis, there may be occasions where an in-range pay adjustment is warranted. An in-range pay adjustment is most commonly made to resolve compression issues, to align with external markets in highly competitive situations, or to resolve pay equity issues.

Typically, an in-range pay adjustment would be less than 5%. Anything above the midpoint of the pay range or greater than 5% must follow the process for an exception request (see Decision Matrix in Appendix A). Updated position documentation may be requested.

**Mapping of Positions**

**Mapping New Positions**

Over time, departments may require the creation of new positions within their area to meet new and evolving needs. Departments will submit updated position documentation when they request a new Position Control Number for Compensation to determine the appropriate mapping of the new position based on position documentation.

**Adding a New Job**

A new job within the architecture is created only when it is demonstrated that a current job does not exist to adequately capture the scope and/or primary purpose of a position. Departments must submit a completed position description to Compensation for evaluation.

**Remapping of Existing Positions with Incumbent (Incument Review)**

Job responsibilities and requirements may evolve over time to meet the institutions changing needs. Compensation will review the program and market data regularly, to take these incremental changes into account. However, there may be times when there are significant permanent changes to the responsibilities of a job due to reorganizations, business needs, new initiatives, etc.

Supervisors will consult with their college/division when there is a significant change to a job’s duties and responsibilities. Typically, a significant change is defined as a 30% or more change in
job duties or responsibilities, or as changes that would have an impact on how the job is mapped to the career architecture. If a position has changed, an updated position description must be completed to reflect changes. The college/division will submit the updated position documentation to Compensation to evaluate and determine the appropriate mapping within the career architecture.

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

- Use of different tools to handle the same responsibilities – this most frequently would be the introduction of technology to automate current manual processes, or updates to existing technology
- Similar responsibilities are being added or exchanged for existing responsibilities
- Volume of work is increasing or decreasing somewhat but the complexity of the work does not change
- Attainment of a degree or other educational milestone, unless this results in changes to the job, level of authority, scope of responsibility, etc.

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

- Introduction of technology that has a material impact on responsibilities and/or that requires specialized training
- Additional responsibilities are different from the existing responsibilities and require considerable training/study to learn
- The level of accountability has changed significantly, such as significant changes to budget responsibility, additional people management responsibilities, etc.

If the change reflects an upgrade, potential pay adjustments will be determined by the promotion guidelines. If the change reflects a downgrade, pay actions will be determined by the demotion guidelines.

With any position change transaction, the Compensation team will ask for the updated position documentation to review and verify the appropriate mapping within the Career Architecture. Only applicants who meet minimum qualifications can be considered for the position.

An employee must complete 6 months in their current position before an incumbent review can be requested. A job may not be considered for remapping more than once in a rolling 12-month period.

Please note: If compensation receives information that indicates a position is mapped incorrectly, Compensation has the right to request position documentation, review and make appropriate changes.

**Temporary Changes to Job Duties**

On occasion it may be necessary for employees to assume additional and/or different responsibilities for a temporary period of time. The Recruitment Guidelines identify temporary duties as either an acting assignment or an interim appointment.

An acting assignment is a short-term assignment in which an individual serves in a temporary capacity for an employee on a University approved leave. The expectation is that the employee on leave will return to the position in the near future. Managers should consult with Compensation to discuss whether a temporary salary adjustment is warranted. Please review the Recruitment guidelines for posting requirements.

An interim appointment is a position filled on a temporary basis while a search is being conducted, a department/unit reorganization is taking place, and/or a department/unit leader is no longer
available to serve in their leadership capacity. Managers should consult with Compensation to discuss whether a temporary salary adjustment is warranted. Please review the Recruitment guidelines for posting requirements.

The temporary changes must be clearly defined and add significant responsibilities in addition to the normal workload. Changes in the volume of work generally does not warrant a salary adjustment. The amount of additional compensation will depend upon the temporary assignment, the degree of complexity and/or market value for additional duties.

**Working Title**
A “working title” should more clearly describe the responsibilities and scope of an individual position. A working title will help provide a way to differentiate between similar roles in a work group and across the university or define a specialty within a job. If no working title is identified the Job Description Title will be the default title. A working title should not misrepresent the authority of the position and the use of inflated titles may create inaccurate expectations of an individual role.

**Examples:**
- **Job Description Title:** Human Resource Manager I  
  - Possible Working Titles:
    - Manager, Personnel Services
    - Manager, Information Technology Human Resources
- **Job Description Title:** Financial Analyst II  
  - Possible Working Titles:
    - Analyst, Finance & Planning
    - Budget Administrator, College of Medicine

**Part-time Employees**
Pay for part-time employees should be determined using the same principles as for full-time employees, then pro-rated to reflect the employee’s work schedule.

**Retention Offer**
A retention offer may be made to an employee with a current regular appointment when the employee can produce evidence of a genuine offer of employment. The college or division may approve a retention offer within the range of the employee’s assigned pay grade. When a retention offer has been offered and accepted, any future retention offers will be considered an exception and must follow the process for an exception request.

**Exception Requests**
Colleges/Divisions must provide Compensation written justification for any offers outside of guidelines. Please refer to the Decision Matrix for more information regarding what requires Compensation Approval.

**Effective Date of Pay Changes**
The effective date of any pay change will default to the first day of the next pay period in which the request was processed by the Workforce Systems team.
Additional Compensation

Other Professional Services Compensation (OPS)
Other Professional Services Compensation consists of fixed-fee assignments for work not directly tied to hours, not covered by the institutional base salary (IBS) and that do not count toward an employee’s maximum Supplemental Compensation Authorized Earnings. Work is performed outside the employee’s regular assignment and compensation is not paid on sponsored accounts.

OPS may not be used for:
1. Compensation paid on sponsored accounts
2. Non-exempt employees
3. Limited Term Adjuncts
4. Employees with combined or total FTE <0.50
5. Assignments greater than a semester

Examples of allowable payments: UA Online Courses, Distance Courses, Credit Courses (Evening/Executive MBA), Non-Credit Courses (i.e. CESL, Executive Education), Incidental work (Assignment outside job/home department, singular in nature and short period of time, minimal payment of <$1,000), Project Specific work for limited duration (similar to Incidental work, but longer in duration).

The OPS form and instructions may be accessed here.

Supplemental Compensation
To ensure compliance with federal and sponsor guidelines, certain services rendered related to a grant or contract, and specific instructional activities, must be identified as supplemental compensation and are subject to established limits. Duties or services assumed to be an employee’s obligation to the University are generally not allowable for additional compensation. Academic employees are not eligible for supplemental compensation during the academic year. Exceptions to the criteria below must be approved by the president or president's designee.

Academic Appointment Criteria
- May not exceed one-third (3/9) of the academic year salary
- May only occur outside the appointment period
- Employees hired under the Conditions of Administrative Service may not receive supplemental compensation in any amount from the University without the prior approval of the president or president's designee
- Hourly pay rate formula
  - During semesters: academic salary/1600 hours
  - Summer/Winter: academic salary * 0.00072

Fiscal Appointment Criteria
- May not exceed one-twelfth (1/12) of the fiscal year salary
- Appointed Personnel may not earn supplemental compensation on grant or contract funds with the exception of budgeted interdepartmental consulting
- Employees hired under the Conditions of Administrative Service may not receive supplemental compensation in any amount from the University without the prior approval of the president or president's designee
- Hourly pay rate formula: annualized salary/2080

Examples
- Summer assignments paid an hourly rate; positive reporting required (any source of funding)
- Intra-University Consulting (hourly)
• Paid on sponsored grant, specifically approved by the sponsor and is outside discipline and crosses department lines. Examples include foreign language translation services or computer services (developing a specific algorithm to support a project)
• Summer/Winter Session (biweekly)

Foreign Nationals: Immigration status may affect supplemental compensation eligibility. Direct visa-related questions and requests to the International Faculty and Scholars Office.

**Other Components of Pay**
*Administrative Stipend-* Additional compensation for Chapter 5 Administrative employees (must have an ABOR code of Administrative) who assume an administrative role in addition to his/her primary non-administrative position.
*Other Stipend-* Additional compensation for a University Staff employee who assumes non-administrative responsibilities beyond his/her primary position.
*Provost Performance-* Additional compensation for an employee that is based on his/her meeting certain performance targets previously identified by the respective college.
*Fiscal Salary Conversion* – Additional compensation for academic year employees that perform additional duties (mainly administrative or professional) over the period of a fiscal year.
## Appendix A

### Compensation Decision Matrix

<table>
<thead>
<tr>
<th>Decision</th>
<th>Guideline</th>
<th>Approval</th>
<th>Exception</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Hire Offer</strong></td>
<td>Between the Minimum and Midpoint of the associated Salary Range</td>
<td>College/Division Approver</td>
<td>&gt;Midpoint of the associated pay range or outside of the associated pay range</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td>5-15% increase per pay grade increase, or within the minimum and the midpoint of the new pay range</td>
<td>College/Division Approver</td>
<td>Above the midpoint of the pay range or &gt;15% increase per pay grade increase</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>Demotion</strong></td>
<td>Typically 5-15% decrease per pay grade decrease, or within the minimum and midpoint of the new pay range</td>
<td>College/Division Approver</td>
<td>Above the midpoint of the new pay range or &gt;15% decrease per pay grade decrease</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>Lateral Move</strong></td>
<td>Typically &lt;5% increase, or within the minimum and midpoint</td>
<td>College/Division Approver</td>
<td>Above the midpoint of the pay range or &gt;5% increase per pay grade increase</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>In Range Adjustment</strong></td>
<td>Typically &lt;5% increase, or less than midpoint</td>
<td>College/Division Approver</td>
<td>Above the midpoint of the pay range or &gt;5% increase per pay grade increase</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>Retention Offer</strong></td>
<td>Up to the external offer of employment and below the midpoint of the pay range</td>
<td>College/Division Approver</td>
<td>Exceeding the offer of employment or above the midpoint of the pay range or any retention offers after the first offer.</td>
<td>Compensation</td>
</tr>
<tr>
<td><strong>Title Changes</strong></td>
<td>Existing title</td>
<td>College/Division Approver</td>
<td>Creating a new title</td>
<td>Compensation</td>
</tr>
</tbody>
</table>
### Appendix B

The following terms are used in this document and are defined as shown below (listed in alphabetic order).

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Stipend</td>
<td>Additional compensation paid to an employee who assumes an administrative role in addition to his/her primary position.</td>
</tr>
<tr>
<td>Backfilling</td>
<td>Where an employee is assigned to a new job and his/her position is filled by another employee.</td>
</tr>
<tr>
<td>Benchmark Job</td>
<td>A job whose major responsibilities and requirements are found in the market. These jobs are typically included in salary surveys and have reliable market data readily available year after year.</td>
</tr>
<tr>
<td>Career Stream</td>
<td>A progression that describes the nature of work being performed. Three Career Streams have been defined for UA:</td>
</tr>
<tr>
<td></td>
<td>• Organizational Contributor</td>
</tr>
<tr>
<td></td>
<td>• Professional Contributor</td>
</tr>
<tr>
<td></td>
<td>• Manager &amp; Leader</td>
</tr>
<tr>
<td>Compa Ratio</td>
<td>The formula commonly used by compensation professionals to assess the competitiveness of an employee’s pay level. Compa ratio is calculated as the employee’s current salary divided by the midpoint (market reference point).</td>
</tr>
<tr>
<td>Compensation Program</td>
<td>The program that provides a framework for managing compensation jobs at the university. The program consists of a compensation philosophy, benchmarking methodology, career tracks, job family guides, a pay structure and guidelines for managing pay.</td>
</tr>
<tr>
<td>Counter Offer</td>
<td>An increase in pay resulting from an external offer of employment. Counter Offers are a retention strategy intended to be used in exceptional and limited circumstances.</td>
</tr>
<tr>
<td>Demotion</td>
<td>The movement of an employee into a job that is assigned to a lower pay grade than the employee’s current job.</td>
</tr>
<tr>
<td>Equity Adjustment</td>
<td>Refers to an adjustment that is made to ensure that an employee’s salary appropriately reflects his/her skills, competency, job knowledge, education experience and sustained contribution in relationship to similar positions.</td>
</tr>
<tr>
<td>Exempt</td>
<td>The term that refers to jobs that are not covered by the FLSA. Exempt employees are paid an established salary and are expected to fulfill the duties of their jobs regardless of hours work required. Incumbents in exempt jobs are NOT eligible to receive overtime compensation</td>
</tr>
<tr>
<td>Fair Labor Standards Act (FLSA)</td>
<td>A Federal law that sets the minimum wage as well as other work rules, and guaranteed pay for work beyond 40 hours a week for jobs covered by the law. The law includes specific “tests” to determine whether a job will be covered by the law (“non-exempt”) or not covered (“exempt”). These tests consider job duties, not characteristics of the incumbent (such as education, experience, skills, or performance)</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Fiscal Salary Conversion</td>
<td>Component of pay calculation that converts an academic employee to a fiscal appointment.</td>
</tr>
<tr>
<td>Institutional Base Salary</td>
<td>Total amount of compensation rate and all components of pay.</td>
</tr>
<tr>
<td>Job Entry Date</td>
<td>Reflects an employee's tenure in their current job.</td>
</tr>
</tbody>
</table>
| Job Function                | A group of jobs involving similar types of work and requiring similar training, skills, knowledge, and expertise. The job function concept helps organize related jobs for purposes of pay, career progression and performance management. Examples:  
  - Human Resources; Information Technology; Research |
| Working Title               | A title that refers to a specific department where an employee is working or a specified type of work and is used in job postings, employees' signature line, business cards, etc. Examples:  
  - Director, Center for Academic Excellence  
  - Analyst, Workforce Systems |
| Job Description Title       | A specific title that relates to a job within the University’s career architecture and describes the job’s roles and responsibilities.                                                                   |
| Lateral Move                | The movement of an employee to a job that is assigned to the same pay grade as the employee’s current job.                                                                                                   |
| Market Adjustment           | Refers to a salary adjustment that is made to recognize compensation changes in the marketplace for a specific job. Market adjustments are unlikely to occur often because the salary structure is based on market analysis and is updated regularly to ensure competitiveness. Occasionally, unusual market circumstances may warrant an adjustment. |
| Other Stipend               | Additional compensation paid to an employee who assumes non-administrative responsibilities beyond his/her position.                                                                                         |
| Non-benchmark job           | A job that is not commonly found in the market and that is not found in salary surveys, generally because these jobs have been tailored to meet specific needs of the University or a department.                                |
| Non-exempt job              | Non-exempt jobs are covered by the FLSA and are subject to all of its provisions. Employees are required to account for time worked on an hourly and fractional hourly basis and are compensated for overtime hours.                                       |
| Off-Cycle Increase          | A pay increase that occurs outside of the normal annual increase cycle.                                                                                                                                   |
| Promotion                   | The movement of an employee to a job that is in a higher pay grade than the employee’s current job.                                                                                                          |
| Reslotting                  | The movement of a job to a higher pay grade solely based upon changes in the labor market. This activity involves no change in job duties.                                                                |
| **Pay Grade** | A pay range to which jobs are assigned based on the Job Role, Impact & Complexity and Requirements, and the market value of benchmark jobs. Pay ranges have been designed to accommodate a wide variety of skill and experience levels, from novice to expert, in a job. |
| **Red-Circled** | When an employee’s pay rate exceeds the maximum of the pay range, then the employee’s situation shall be considered “red-circled.” |
| **Job Family** | A sub-set of a job function, usually more specialized in nature.  
**Examples**  
- Compensation, Benefits (families within Human Resources)  
- Computer Operations, Systems Administration (families within Information Technology)  
- Research Program Administration, Research Development (families within Research)  |