

UAB Academic/Administrative Compensation Guidelines

FY18

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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 FY18 budget year.

While institutional funding remains limited again in FY18, merit pools not to exceed 2% are encouraged. With projected growth in budgeted revenue generated from tuition and IER, the expectation is that at least 1% should be covered from those sources. The remainder of any increases should be covered from recurring funding sources.

For those unable to fund merit increases, 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, Vice President for Financial Affairs and Administration (VPFAA) 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, 2017

- Faculty Promotion/Tenure
 - Faculty promotions may be funded if endorsed by appropriate College/School/Library Dean.
 - All faculty promotions will be effective 10/1/2017.

- Pay Ranges
 - UAB General Pay Range Structures will not be adjusted for FY18.
 - Faculty ranges are submitted to the Provost Office for review and approval each year. For FY18, submit any proposed range changes to the Provost Office by 07/27/2017.
 - All employees must be paid at least the minimum of the range.

- Salary Distribution Plans
 - No later than 7/17/2017, each college/school/department must declare to the Provost or the VPFAA and copy the Chief Human Resources Officer 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.

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 HR custom application.
 - Any market or equity components of 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, VPFAA or their designee's approval.
 - Details for FIPs must be submitted via Compensation Request Form (CRF) for HR review prior to Provost, VPFAA or their designee's approval. Submissions are due 8/14/2017 with an effective date of 10/1/2017 for both exempt and 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, VPFAA 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 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, VPFAA or their designee's approval. Submissions are due 8/14/2017 with an effective date of 10/1/2017 for both exempt and 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 by 10/31/2017.
 - 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, VPFAA or their designee's approval. Market or equity studies finalized and approved by 9/1/2017 may be implemented as soon as 10/1/2017. Studies may continue to be requested via CRF throughout the year with effective dates after 10/1/2017.
 - 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, 2017 and Beyond

- Incentive Plans
 - Previously established compensation incentive plans must be submitted via CRF for recertification as required by existing UAB incentive program guidelines by 9/1/2017.
 - New incentive plan proposals must be submitted via CRF by 9/1/2017 to be considered for implementation in FY18.
 - Please refer to UAB incentive plan guidelines for further information or contact your HR Consultant or HR Compensation.
- Lateral Transfers
 - Salary adjustments for lateral transfers should 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 from the same grade job to the same or lower grade job regardless of title. HR will review and submit to the appropriate UAB senior administrator (Provost, VPFAA or designee) for final approval.
- 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/Position 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 is 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. Monthly payment is typically 10% or less of an individual's monthly salary.
- 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.

Following is a summary of review and approval process for FY18 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 or to 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%, if higher than range minimum
- 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, VPFAA 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
- b. FIPs
- c. Incentive Plans – new or previously approved
- d. Market or equity adjustment payments (with justification)
- 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.