Guidelines to Managing Staff Pay
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Introduction
The University of Miami is committed to recognizing staff contributions to teaching, research, and service, and to providing market-competitive pay based on performance. Our total rewards package includes a variety of monetary and non-monetary awards offered to employees in exchange for their contribution and service to the University, including pay, benefits, recognition programs, and training and development. Our rewards package is designed to provide managers with the tools needed to effectively attract, retain, and motivate staff through reward and recognition programs.

The University administers compensation programs and policies to provide a method for equitable classification of positions and pay in relation to the level of work performed. This document provides guidelines for managing staff compensation to help ensure internal equity and consistent application of pay across the university.

Manager’s Responsibility
Managers are provided access to employee information, including pay, service dates, job performance, employment history, etc. as a basis for decision making. Managers are to refrain from disclosing confidential information for purposes other than organization business decisions needs.

Staff pay decisions are derived through a collaborative partnership with the manager, cost center manager, and Human Resources.

The hiring manager in consultation with their HR Client Service Team needs to ensure:

1. Candidate/staff has satisfied the job’s minimum hiring qualifications and/or requirements prior to extending a job offer or job change
2. Authorization for new pay rate is fully obtained prior to communicating pay information to candidates/staff
Pay Structure, Pay Grade, and Pay Range

The University of Miami’s Career + Compensation Program assigns jobs to one of five pay structures:

1. Core
2. Allied Health
3. Information Technology
4. Nursing
5. Research

These pay structures reflect the competitive market practices for our jobs and allow flexibility to respond to external market pay trends and changing business needs. The pay structures are reviewed annually for appropriateness and revised based upon competitive market analysis and budget availability.

A description for the pay structures is below:

<table>
<thead>
<tr>
<th>STRUCTURE</th>
<th>DESCRIPTION</th>
<th>EXAMPLES JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE</td>
<td>Represents the standard structure, which includes a cross section of job functions and families.</td>
<td>Finance and accounting, admissions, student affairs, human resources, communications and marketing, facilities and operations and general office support.</td>
</tr>
<tr>
<td>ALLIED HEALTH</td>
<td>Designated for health care professionals involved in ancillary patient care service (jobs that are distinct from nursing, medicine, and pharmacy). Allied Health jobs provide a range of diagnostic, technical, therapeutic, and other patient services.</td>
<td>Radiologic technologist, medical technologist, respiratory therapist.</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>Includes jobs that are responsible for supporting the University's technology needs, such as software development, telecommunications, networking, and infrastructure support.</td>
<td>Systems administrator, database analyst, help desk technician, network engineer.</td>
</tr>
<tr>
<td>NURSING</td>
<td>Designated for individual contributor nursing jobs that are responsible for patient care services. Jobs in the nursing structure require a university degree and a registered nurse license.</td>
<td>Registered nurse, nurse specialist, advanced registered nurse practitioner.</td>
</tr>
<tr>
<td>RESEARCH</td>
<td>Includes jobs employed in the scientific research and discovery process. Jobs in this structure work in research administration, statistical analysis, or applied science within the research function.</td>
<td>Research associate I, II and III, scientist, postdoctoral associate, research support coordinator.</td>
</tr>
</tbody>
</table>

Pay structures provide the foundation for staff compensation decisions. Each pay structure contains a set of grades and ranges including a minimum, midpoint, and a maximum base pay rate.

- The **minimum** rate assigned to the corresponding pay grade represents the lowest rate of pay allowable for a staff member for positions in that grade.

- The **midpoint** of the pay grade typically represents the market or “going rate” (i.e. the rate reported by competitor organizations for individuals
performing similar work). This is the point of reasonable market competition for talent.

- The **maximum** represents the highest rate a staff member should expect to earn for performing the work of the assigned job. Achieving pay at the maximum of the pay range should be achieved over an extended period of service accompanied by consistent high performance. Employees compensated near the range maximum should have extensive breadth and depth of skill and experience, bringing significant value to the organization.

Pay ranges are intended to be wide enough to accommodate a variety of experience and performance levels. The range of pay assigned to a pay grade allows for recognition of differences where performance, knowledge, skills and abilities are concerned. Staff can expect to be paid within the pay grade associated with their job.

**Managing Staff Compensation**

The University of Miami’s compensation program balances pay for the job and the individual. Many factors are taken into consideration when determining staff pay. Salaries are based on the following criteria:

- The job’s role within the University, its responsibilities, skills, requirements, and competitive market rate for similar positions
- The individual’s knowledge, skills, experience, and performance
- Budget affordability

<table>
<thead>
<tr>
<th>JOB</th>
<th>YOU</th>
<th>=</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position Role Responsibilities Skill Requirements</td>
<td>Knowledge Skills Experience</td>
<td>Pay Grade (Based on market analysis)</td>
<td>Location in Pay Range</td>
</tr>
</tbody>
</table>

An employee’s pay is a reflection of their qualifications (education, experience, skills, level of competency) relative to the requirements associated with the job as documented via the job description, internal equity comparisons (how the
incumbents’ current and proposed rate compares to peers with similar qualifications and job title), performance, and availability of budget dollars.

1. **Qualifications**: The employee’s education, skills, experience, and job competence relative to the minimum requirements outlined in the job description is an important factor to consider when determining base pay. Employees that are new in their career, holding the minimum requirements for the job, should expect to be paid near the minimum of the pay range. As experience and competence enhances, as evidenced by the staff’s performance, pay should progress through the pay range, typically through the annual merit program.

2. **Performance and overall standing**: Consider the employee’s performance history when determining eligibility for a base pay increase (merit award). Is the employee meeting or exceeding the outlined performance expectations? Employees assessed as performing unsatisfactorily should not be considered eligible for merit award consideration until their performance has improved.

3. **External Market Value for the job (i.e. pay range midpoint)**: The pay range midpoint is typically a good indicator of the market value for a job. An employee’s experience, qualifications, and competence should guide the positioning of their pay rate relative to the midpoint. Paying above the pay range midpoint should be reserved for employees with advanced qualifications who bring significant value to the organization with documented performance at levels that consistently exceed expectations.

4. **Internal Equity**: Ensuring that differences in pay for employees holding similar job classifications are warranted by differences in qualifications, competence and performance is critical to ensuring fairness. Consideration for how pay increases impact differences in compensation levels for employees performing similar duties should factor in to the decision. Pay rates that differ significantly should be warranted by a compelling reason.

5. **Budget/Affordability**: Managers need to weigh the available budget resources against the factors of range placement.
Where an employee’s pay is positioned within the range should be a reflection of the factors outlined above. Employees that are still developing and mastering the skills and competencies needed to perform at required levels might be more appropriately paid closer to the minimum of the range, while employees that perform at advanced levels might expect to be paid at or above the midpoint.

The table below provides a general overview of how staff might progress through their pay grade and range as their qualifications, performance, and experience are developed.

Staff pay decisions are derived through a collaborative partnership with the manager, cost center manager, and the HR Client Service Team. Where applicable, certain pay decisions will require the review and approval of others on the leadership team and Human Resources (i.e., when pay rates exceed the range midpoint of the pay range upon hire, or significant promotional increases).
New Hires
New hire rates are a reflection of the candidates qualifications relative to the minimum requirements outlined in the job description. Factors to consider when determining the pay rate for new hires include:

- Pay range placement guidelines
- The candidate’s applicable knowledge, skills, abilities, and depth of experience
- Current compensation level and total rewards package
- Internal-salary relationship for staff in similar positions and relationship between the new hire’ compensation and the rate paid to similarly qualified or more experienced employees performing the job candidate’s position within the range to ensure that there is sufficient room for future pay growth
- Budget affordability

New hire rates that are above the pay range midpoint or higher than 10 percent require the approval of the department’s senior administrator and Human Resources.

Job Changes: Promotions, Demotions, and Lateral Moves
Eligibility: Staff must be in their current position for a minimum of 6 months for consideration within the same division and 12 months for consideration in another division for a job change, internal transfer, or promotion.

Workday: Pay (compensation) changes associated with job changes require an available position in Workday. Pay changes higher than 10 percent will require the approval of the department’s senior administrator and Human Resources.

Promotions
A promotion is defined as a move to a job with a higher pay grade that requires a substantially higher level of competency and substantially greater responsibilities. In addition, job changes that result in a move from one structure to another will be considered a promotion if the pay range midpoint for the new job is higher than the midpoint of the employee’s current position.

As a guideline:

- Most promotional increases should range between 5 percent and 10 percent of the staff’s current base pay. The employee’s range position in the new pay grade, as well as the number of pay grades between the old and new position, should be taken into consideration when determining the recommended increase percentage.
• The promotional increase cannot result in a rate that is below the minimum of the range or above the maximum of the range for the new job.

**Demotions**

A job change that results from a move to a position with a lower pay grade in the same compensation pay structure is defined as a demotion. A demotion can occur for reasons initiated by the department or staff member. Demotions should only be used if the staff member can still make a significant contribution to the organization in a new capacity. Depending on the circumstances surrounding the demotion, the employee’s pay may remain the same or be reduced. Rates for employees who are demoted should be positioned within the pay range of the lower-level classifications.

• Determining pay reductions for demotions is determined by the following:
  - Staff's credentials (skills, experience, performance, knowledge, and education) relative to the minimum job qualifications
  - Internal equity comparisons, market considerations, budget availability

All pay changes resulting from demotions will require approval from the department’s senior administrator and the AVP of Human Resources. Demotions including positions at the executive director level and above require approval from the VP of Human Resources.

**Lateral Moves**

A lateral move is a job change that results in a move to a position with the same pay grade or to a job assigned to a different pay structure that has a midpoint comparable to the current job. These moves generally do not warrant a change in pay. If, however, the staff moves to a job that is clearly more complex, there may be an opportunity to provide an adjustment. The decision as to whether or not such an adjustment is appropriate should be made in consultation with your HR Client Service Team. In such situations, a modest increase of between 3 percent and 7 percent may be given, up to range midpoint. If current pay is already at or above range midpoint, an increase is usually not warranted.

Examples of situations that normally do not warrant a pay increase include:

• Greater volume of work/activity/transactions
• Supervising a small number of additional staff with similar responsibilities
Internal Hire
If a staff member is an internal hire, a promotion, lateral move, or demotion would be defined as follows:

- **Internal Hire**
  - Determining if an internal hire is a promotion, lateral move, or demotion.

- **Promotion**
  - Move to a job within the same structure that has a higher pay grade or move to a job within a different pay structure that has a higher midpoint value.

- **Lateral Move**
  - Move to a job within the same pay structure that has the same pay grade or move to a job within a different pay structure that has a similar midpoint value.

- **Demotion**
  - Move to a job within the same pay structure that has a lower pay grade or move to a job within a different pay structure that has a lower midpoint value.

Merit Awards
The University of Miami is committed to linking the opportunity for annual merit awards to staff performance. The opportunity for an annual merit award is based on an individual’s annual performance review and annually approved budget guidelines. Merit awards are increases in base pay or lump sum increments given in accordance with the performance evaluation process. Merit pay increases and lump sum awards are designed to recognize and reward performance for the 12-month evaluation period. The University of Miami’s merit award guidelines are distributed annually in advance of the evaluation and merit planning process.

**Merit Award Guidelines**
- Regular full-time and part-time staffs with ratings of Expectations Met/Meets Standards during the performance review process are eligible for merit award consideration.
- Temporary employees, including per diem and casual workers, are not eligible for merit awards.
- Employees at or above their pay band maximum salaries are eligible for a merit award lump sum payment equal to their annual merit award, rather than an increase in base pay.

In-Range Adjustments
In-Range adjustments related to responsibility increases are designed to compensate staff who have assumed additional ongoing, higher level duties representing a demonstrable increase in the scope, depth and complexity of his/her job functions and outcomes that are not incorporated in current job description. In
these instances, changes to the job must be substantial and ongoing and will typically represent at least 20 percent of the overall job responsibilities. Changes to an employee’s job must be documented via the job description.

Changes in a job’s primary duties that have increased or decreased in scope, responsibility, and complexity by more than 40 percent require a job evaluation by HR-Compensation. A job evaluation is a systematic process of assessing the relative worth of a position based on the job responsibilities, level of complexity, potential impact to the university, education and experience requirements. Value is determined through analysis and review of both internal and external factors relative to the position. The job evaluation package must be completed by managers and the HR Client Service Team for HR-Compensation approval.

As a guideline, in-range adjustments should range between 3 percent and 7 percent of the staff’s current base pay. In-range adjustments for responsibility increases that are higher than 10 percent will require approval from the Cost Center Manager, the department’s senior administrator and Human Resources.

**Equity**

Equity adjustments may be granted when there is internal disparity in the pay for staff performing the same job or similar types of work requiring the same criteria (i.e. knowledge, skills, abilities, experience, performance level are comparable, but pay differs substantially). Equity adjustments are not appropriate when the inequity is the result of one or more employees being inappropriately compensated well above the job value.

An example of this would include a staff member who was demoted to a lesser position without a reduction in pay. In this instance, the demoted staff may be compensated at levels above his/her new peers (given the previous role) but should not be used as a benchmark when conducting internal equity comparisons.

The consideration for equity adjustments require analysis of multiple factors, as a result requests for such adjustments will be reviewed and recommended by HR-Compensation. Decisions of HR-Compensation on matters of equity are final.
Temporary Compensation and Teaching Overloads

It may be necessary for staff to assume additional and/or different responsibilities for a temporary period of time not less than 30-days and not more than 180-days. When the added responsibilities represent a material change in the job classification, eligibility for temporary compensation may apply. Examples include, but are not limited to, temporary assumption of extensive additional duties not usually performed due to the extended leave or resignation of an employee, or temporary assumption of additional more complex higher-level duties due to a short-term project or program. Temporary compensation will be limited to staff holding exempt job classifications and in those circumstances where additional job duties are clearly defined and represent a significant increase to the normal workload. Situations where non-exempt employees are assuming additional responsibilities, of a nature which warrant additional pay consideration, will be addressed through overtime compensation.

Staff assuming responsibility for regularly scheduled classroom instruction in addition to their full-time regular job might also qualify for temporary compensation. Requirements include carrying a teaching overload of up to three credit hours per semester during their normal University work hours.

Managers are to consult with their Human Resources Client Services Team when there is a temporary change that requires consideration of a temporary compensation adjustment.

As a guideline, temporary compensation amounts should range between 5% and 10% of the staff’s current monthly base pay. Requests for overloads and temporary compensation require approval by the staff’s immediate supervisor, department chair/dean, Human Resources, and the Office of the Vice President of Budget and Planning. In Workday, compensation changes for both Temporary Compensation and Teaching Overloads will be entered using the Manage Period Activity business process.

Please review the table on the next page for a summary of compensation guidelines and approvals.
<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>DESCRIPTION</th>
<th>GUIDELINE</th>
<th>APPROVALS (within guidelines)</th>
<th>ADDITIONAL APPROVALS (exceptions to guidelines)</th>
</tr>
</thead>
</table>
| NEW HIRE RATE   | Base pay recommendations for employment candidates (internal and external). | Using pay range placement guidelines up to pay range midpoint.¹           | • Supervisor/Department Administrator  
• Cost Center Manager  
• HR Client Service Team                                                                 | • HR-Compensation²                                                                |
| PROMOTION       | Pay rate increases for employees moving to a job within the same structure.  | Up to 5% and 10% of base pay or pay range minimum.²                       | • Supervisor/Department Administrator  
• Cost Center Manager  
• HR Client Service Team                                                                 | • HR-Compensation²                                                                |
| LATERAL MOVE    | Pay changes for employees moving to a different grade or moving to a job within a different pay structure that has a similar midpoint value. | Generally does not warrant a change in salary.                            | Requires exception to guideline approvals.                                                      | • Supervisor/Department Administrator  
• HR-Compensation²                                                                |
| DEMOTION        | Pay rate deductions for employees being reassigned to a job with a lower pay grade or range midpoint. | Requires review in all instances by HR client service team and assistant vice president of human resources. | Requires exception to guideline approvals.                                                      | • Supervisor/Department Administrator  
• HR-Compensation²                                                                |
| MERIT AWARD     | Annual merit award tied to staff performance and approved budget guidelines. | Outlined and communicated annually in the annual Budget and Merit Award Guidelines | See Budget and Merit Award Guidelines.                                                          | N/A                                           |
| IN-RANGE ADJUSTMENT | Pay changes to address an increase in additional ongoing higher level duties, representing a demonstrable increase in the scope, depth and complexity of the job functions and outcomes that are not incorporated in the current job description (typically represents at least 20 percent of the overall job responsibilities). | Between 3% and 7% of base pay or range minimum (not to exceed pay grade midpoint).⁴ | • Supervisor/Department Administrator  
• Cost Center Manager  
• HR Client Service Team  
• Office of the Vice President of Budget and Planning  | • HR-Compensation²                                                                |
| TEMPORARY COMPENSATION | Request to provide additional base pay to an exempt employee assuming added job duties for a period not to exceed six months. | Up to 10% of monthly base pay.                                            | • Supervisor/Department Administrator  
• Cost Center Manager  
• HR Client Service Team                                                                 | • HR-Compensation²                                                                |

¹Base pay greater than $200,000 requires additional approvals (see Additional Approvals/Exceptions to Guidelines).
²Cost center manager must approve only if the pay rate exceeds the approved hiring rate.
³Demotions including positions at the executive director level or above require approval from the vice president of human resources.
⁴Changes to an employee's job must be documented in the job description. Please refer to the Job Evaluation Packet.
⁵Base pay greater than $200,000 requires approval by campus assistant/associate vice president of human resources and vice president of human resources.