

<b>UNT System Administrative Procedure</b>	<b>Related Policy 03.502</b>
<b>Salary Administration</b>	

This procedure has been established to implement UNT System Administration Policy 03.502, Salary Administration. These procedures apply to staff positions.

**Definitions.**

1. Across-the-Board Salary Increases. Increases granted to all staff employees when appropriated by the legislature for institutions of higher education.
2. Classification System. A framework used to arrange positions into groups based on similarities of purpose, skill, ability, education, training, experience, level of responsibility, physical and mental effort required, the working conditions involved and other common factors.
3. Classification Process. The methodology used to determine the appropriate pay grade and job title for each position.
4. Classification. A group of positions with the same job title that perform substantially the same kind of work with equivalent levels of complexity and responsibility.
5. Classification Review. The process of determining if there has been change in a classification based on a substantial change in responsibilities (not just additional tasks) that may necessitate a position be changed to a different classification. A classification review may affect other positions in the same classification.
6. Competencies. The skill, ability, education, training, experience, level of responsibility, physical and mental effort required, and the working conditions involved that are required to perform a position.
7. Demotion. Assignment of an employee to a different position with a lower salary range.
8. FLSA exemption status. The determination made by Human Resources whether a job is exempt from the overtime pay provisions of the Fair Labor Standards Act (FLSA). The status can be either exempt or non-exempt and can be represented by a code of "E" or "N."
9. Internal Equity Analysis. The analysis of pay provided an employee in relation to other employees doing comparable work based on factors such as competencies, management responsibilities, and level of performance.

10. Job Code. The numerical identifier associated with a classification.
  11. Lateral Transfer. Assignment of an employee to another position with the same pay grade.
  12. Market Adjustment. A change in the salary range for a pay grade based on market competitiveness.
  13. Merit Salary Increase. An adjustment in salary or a one-time payment based on exhibited job performance and established written criteria.
  14. Minimum Qualifications. The requirements that must be met to be considered for a position based on the job description.
  15. Pay Grade. The alpha numeric identifier for a unique salary range based on market data for each job in the classification system.
  16. Promotion. Selection of a current employee for a different position with a higher salary range which requires higher qualifications, such as greater skill or longer experience, and involves a higher level or responsibility.
  17. Salary Range. The minimum rate of pay to the maximum rate of pay that is identified by a unique pay grade in the salary schedule.
  18. Salary Schedule. A list of salary ranges by pay grade.
  19. Starting Salary. The rate of pay when a vacant position is filled either by selection of a current employee or external candidate.
  20. Staff Employee. An individual who is employed part-time, full-time, or in a temporary capacity. "Staff employee" does not include faculty, employees under contract, or individuals who are required to be students as a condition of employment.
  21. Workforce Planning. The systematic identification and analysis of organizational needs in terms of the quantity and type of workforce needed to accomplish the objectives of the work unit. Workforce planning is used to determinate the mix of competencies required that collectively work together to achieve these objectives.
  22. Workforce Plan. The documented outcome of workforce planning.
1. General Salary Administration Procedures.

## 1.1. Merit.

- 1.1.1. Merit Salary Increases. Merit salary increases, including one-time merit payments, are subject to the availability of funds. Criteria for merit salary increases shall be developed by Human Resources and approved by the Chancellor prior to the awarding of any merit salary increase.
- 1.1.2. Eligibility. To be eligible for a merit salary increase, an employee must have been employed by UNT System Administration and have no disciplinary actions for the six months immediately preceding the effective date of the increase and at least six months must have elapsed since the employee's last merit salary increase.
- 1.1.3. Application. Managers are responsible for ensuring the fair and consistent application of merit salary increases, appropriately rewarding job performance and complying with the approved criteria.
- 1.1.4. Review. Human Resources shall review all merit salary increases to ensure compliance with approved criteria and compliance with equal employment opportunity policies.
- 1.1.5. Approval. All merit salary increases must be approved by the designated department/project account holder, department head, and divisional Vice Chancellor, or the Chancellor.

## 1.2. Other Salary Increases. Other salary increases include across-the-board salary increases, market adjustments, individual salary increases, promotion, or a change in classification as a result of a classification review.

- 1.2.1. Across-the-Board Salary Increases. Increases will be given to all eligible staff employees at the rate authorized, which may result in an increase above the maximum of the salary range.
- 1.2.2. Market Adjustments. Market adjustments are based on external benchmarking conducted by Human Resources. Subject to the availability of funds and approval by the appropriate budgetary authority, employees may receive an increase in salary up to the proportional increase of the salary range of the pay grade, but no less than the minimum of the salary range of the pay grade. For example, an increase in the salary range by 3% would allow an employee in the pay grade to receive an increase in salary up to 3%.
- 1.2.3. Individual Salary Increases. Individual salary increases may be given with approval from Human Resources and the divisional Vice Chancellor or Chancellor, or as directed by the Board of Regents. An individual salary increase

can be to retain an important skill set or as a remedy for internal pay equity. The employee's documented job performance and productivity must consistently meet that which is normally expected or required.

- 1.2.4. Promotion. A promotional increase shall be at least a 3.5% increase in salary up to 10% per change in pay grade. A promotional increase cannot exceed a total of 25%. In a situation where an employee's pay is below the minimum salary of the pay grade after the promotional increase an additional increase should be made to bring the employee to the minimum salary of the pay grade. Before recommending a promotional increase, managers must determine that the new salary is equitable within the department.
  - 1.2.5. Human Resources shall review all salary increases to ensure internal pay equity and ensure compliance with System Administration equal employment opportunity policies.
  - 1.3. Reinstated Employee Salary Rate. An employee returning from a seasonal layoff or from an approved leave of absence without pay is entitled to his or her most recent rate of pay. Upon return the employee is entitled to any across-the-board increases granted to all other staff employees.
  - 1.4. Lateral Transfer. A lateral transfer involves no change in pay grade. The employee will retain their current salary.
  - 1.5. Demotion. An employee who is demoted will have a reduction in salary up to the first third of the new salary range unless such a reduction would place the employee's salary below the minimum of the salary range of the pay grade. A salary exceeding the first third of the salary range of the pay grade must be approved by the appropriate budgetary authority and Human Resources. Human Resources shall conduct an internal pay equity review and ensure compliance with equal employment opportunity policies.
  - 1.6. Retroactive Salary Increases. Retroactive pay increases are prohibited. When an authorized individual approves a salary increase, the increase may be effective no earlier than the first day of the month in which final required approval is signed and dated.
  - 1.7. Maximum Pay Rate. The salary of an employee will not exceed the maximum of the salary range of the pay grade unless a salary increase is mandated by the State Legislature.
2. Salary Administration Procedures for Classified Positions.
    - 2.1. Salary Upon Hire.

- 2.1.1. Minimum Salary. A department must offer at least the minimum salary for the pay grade.
- 2.1.2. Starting Salary. Prospective employees with demonstrated competencies above the minimum qualifications for the position may be offered a starting salary up to the first third of the salary range of the pay grade. Before a department may offer a salary above the minimum, the hiring manager must determine that the higher starting salary is equitable within the department or the salary necessary to pay the prevailing wage rate as required by immigration regulations. A starting salary exceeding the first third of the salary range of the pay grade must be reviewed and approved by the appropriate budgetary authority and Human Resources. Human Resources shall conduct an internal pay equity review and ensure compliance with equal employment opportunity policies.
- 2.1.3. Exceptions. An exception to the starting salary prescribed above may be requested by the completion of a form and process prescribed by Human Resources. Human Resources will review the request and provide a recommendation to the Vice Chancellor for Administrative Services or the Chancellor who will make a final determination.
- 2.1.4. Offer Letters. Offer letters are required for all newly hired employees. Human Resources will prepare the offer letters confirming the salary rate and effective date.

## 2.2. Salary When a Classification Changes.

- 2.2.1. Minimum Salary. A department must increase the salary of an employee to at least the minimum salary for the pay grade of the new classification.
- 2.2.2. Salary Change as a result of a classification change. An employee with competencies above the minimum qualifications for the position may be given an increase up to the first third of the salary range of the pay grade. The manager must determine that the salary change is equitable within the department. A salary change exceeding the first third of the salary range of the pay grade must be approved by the appropriate budgetary authority and Human Resources. Human Resources shall conduct an internal pay equity review and ensure compliance with equal employment opportunity policies.
- 2.2.3. Exceptions. Exceptions to the salary change procedures above may be requested by the completion of a form and process prescribed by Human Resources. Human Resources will review the request and provide a recommendation to the Vice Chancellor for Administrative Services or the Chancellor who will make a final determination.

2.2.4. Written Notification. A written notification to the employee is required for all changes in a classification. Human Resources will prepare the written notification confirming the classification, salary, and effective date of the change.

3. **Salary Administration Procedures for Non-Classified Positions.**

3.1. Salary Upon Hire. The starting salary for non-classified positions will be determined by the Chancellor taking into consideration the recommendation by Human Resources after a review of the position for external benchmarking and internal pay equity.

3.2. Salary when a Position Changes. A salary increase may be given when a position changes to a non-classified position. The salary will be determined by the Chancellor taking into consideration the recommendation by Human Resources. Human Resources shall conduct external benchmarking, an internal pay equity review and ensure compliance with equal employment opportunity policies.

**References and Cross-references.**

Regents Rule 5.500, Classified Compensation Plan

System Policy 3.501, Classification of Jobs

System Policy 3.502, Salary Administration

System Administration Policy 3.901, Nondiscrimination, Equal Employment Opportunity, Affirmative Action, and Non-Retaliation

Approved:

Effective:

Revised: