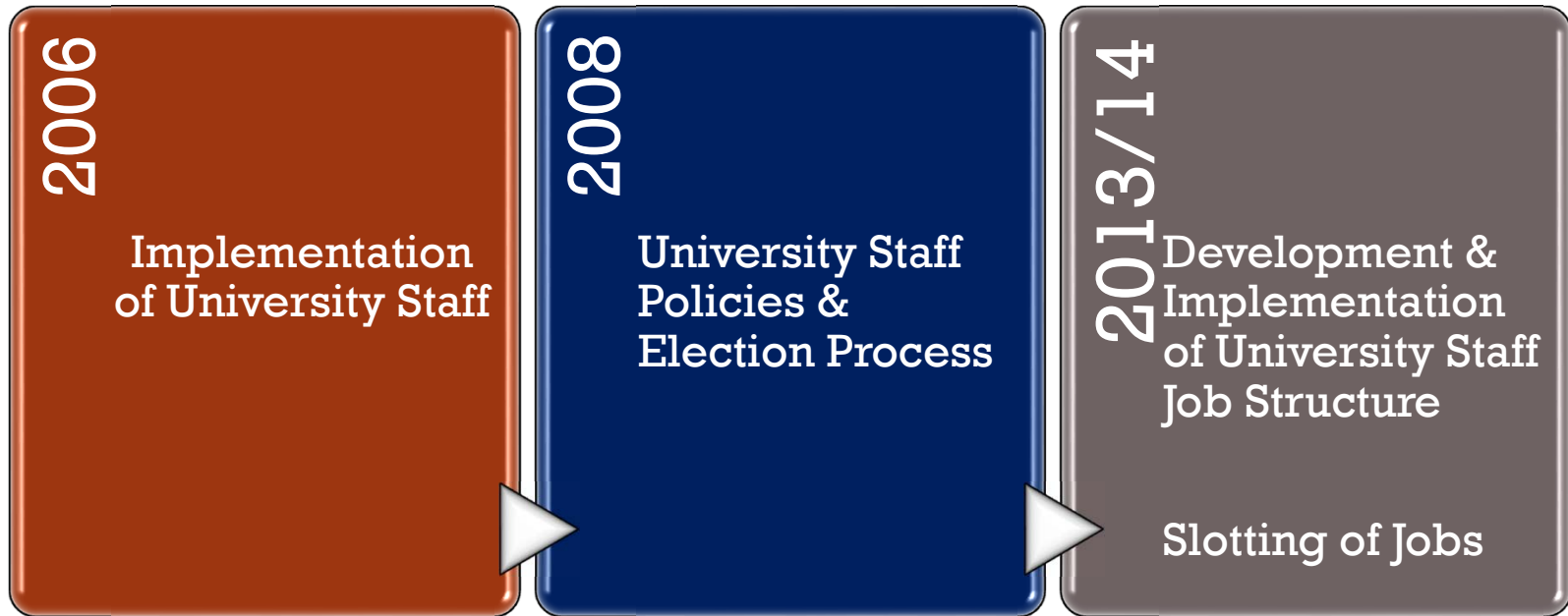


COMPENSATION 101

Removing the mystery surrounding pay



HISTORY



FOUNDATION OF COMPENSATION

Classified

- DHRM Human Resources Compensation Policies 3.05-3.15
- State Salary Structure
- Pay Practices/Non-Base Pay Options Chart

University Staff

- HRM-024 Compensation Program for University Staff Employees
- Market Ranges
- Reward and Recognition Programs



EXEMPTION UNDER THE FEDERAL FAIR LABOR STANDARDS ACT (FLSA)

Exempt

- Employees in these types of jobs are **not** subject to Minimum wage, Overtime, and Time-keeping requirements of the Act
- Exempt positions have executive, administrative, or professional responsibilities requiring significant professional and advanced knowledge in a particular area; a primary duty of management, regularly exercising discretion and judgment, customarily and regularly direct the work of two or more other employees; and have authority to hire or fire or may make suggestions and status for other employees

Non-Exempt

- Employees in these types of jobs **are** subject to Minimum wage, Overtime, and Time-keeping requirements of the Act
- Positions are entitled to minimum wage provisions, overtime pay, and must (by law) maintain accurate records of the hours they work in a day

**Employees may check their timesheet if they are unsure of their current status or contact HR service center*



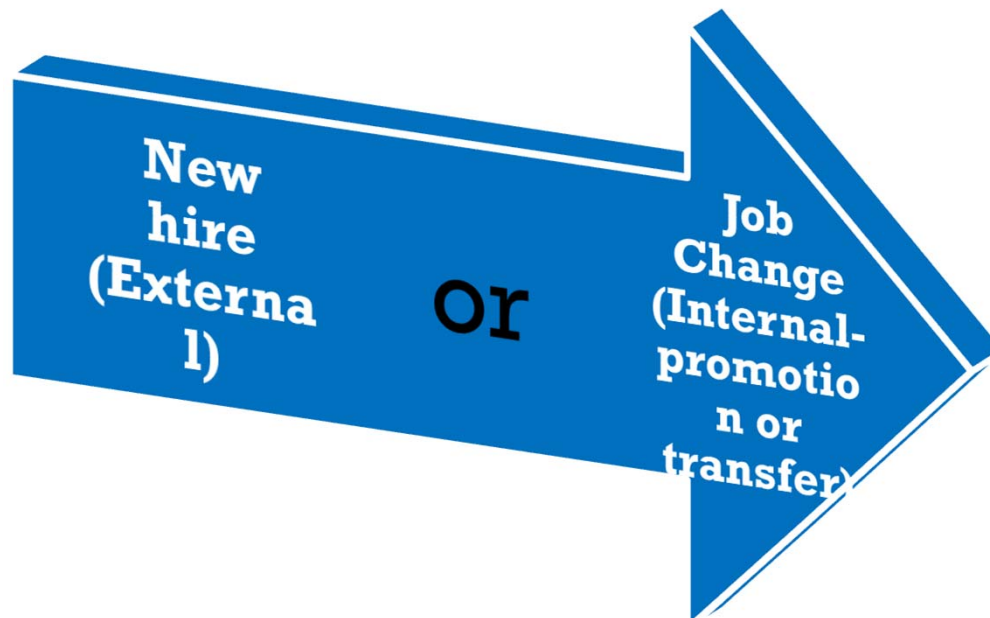
COMPENSATION

Starting
Pay

- New Hire or Job Change
- Market Range/Compensable Factors



COMPETITIVE STARTING PAY



MARKET RANGES

- Developed from multiple survey sources
- Relevant Sectors/Geographical areas
- Similar positions share a common market range/UVA job title



COMPENSATION FACTORS

- Qualifications (education, experience, unique skills)
- Job content (level of decision making, autonomy, responsibility)
- Employee's pay relative to similarly situated positions
- Pay history
- Position of the employee's current pay in the market range
- Individual performance contributions/evaluations



COMPENSATION

Starting
Pay

- New Hire or Job Change
- Market Range/Compensable Factors

Base Pay

- Merit
- Off-cycle Pay Adjustments
- Supplemental Pay



MERIT (ANNUAL CYCLE)



Definition: Base pay adjustment based upon an employee's overall performance evaluation.

- The University's Board of Visitors reviews and approves a merit increase budget recommendation developed by UHR annually;
- Once approved, guidelines for annual merit increase adjustments are distributed to the schools and departments;
- Classified increases are mandated by the state and centrally processed;
- If an employee's base pay is at or above the upper reference for the pay range, the merit amount may be provided as a one-time payment, rather than as a base pay adjustment, or a combination of both.



2015 MERIT STATISTICS UNIVERSITY STAFF

	Total # Eligible	# Rec'd Increase	% Rec'd Increase
University Staff	3343	3099	92%

2015 Merit Statistics for Ustaff	Average Merit \$	Average Merit %	Average % with 1% Market
Unsatisfactory/Inconsistent	\$76	0.25%	0.25%
Effective	\$978	1.52%	2.52%
Highly Effective	\$1,716	2.36%	3.36%
Exceptional	\$2,660	3.09%	4.09%

2015 Board approved a 1% market increase and a 2% merit pool for Ustaff



OFF-CYCLE PAY ADJUSTMENTS

Definition: Base pay adjustment provided to retain employees critical to the work of the University (Equity, Market, Retention, Change in Duties).

- Adjust pay based on holistic approach where multiple factors (including market-based pay range, employee skills and competencies, competitive counter-offers, and performance) are considered in support of a pay increase
- Significant change in duties
- Application of new KSAs from education, certification, licensure, etc.
- Career Paths
- Minimum hiring rate adjustments (*\$11.30 to \$11.53 in 2013, and then \$11.76 in 2014 to \$12.02 in 2015*).
- All Strategic Compensation adjustments must have the approval of the appropriate Vice President or Dean



OFF-CYCLE PAY ADJUSTMENTS STATISTICS

Off-cycle pay adjustments processed during the 2015 merit exercise in Lead@ system

	# Receiving Increase	Average % Increase	Average Increase
Changes in Duties	48	6.49%	\$2,486
Market	19	4.11%	\$2,297
Internal Equity	18	4.24%	\$2,309
Retention	28	3.05%	\$1,811
Career Development/Other	6	3.10%	\$2,323
	119		



SUPPLEMENTAL PAY

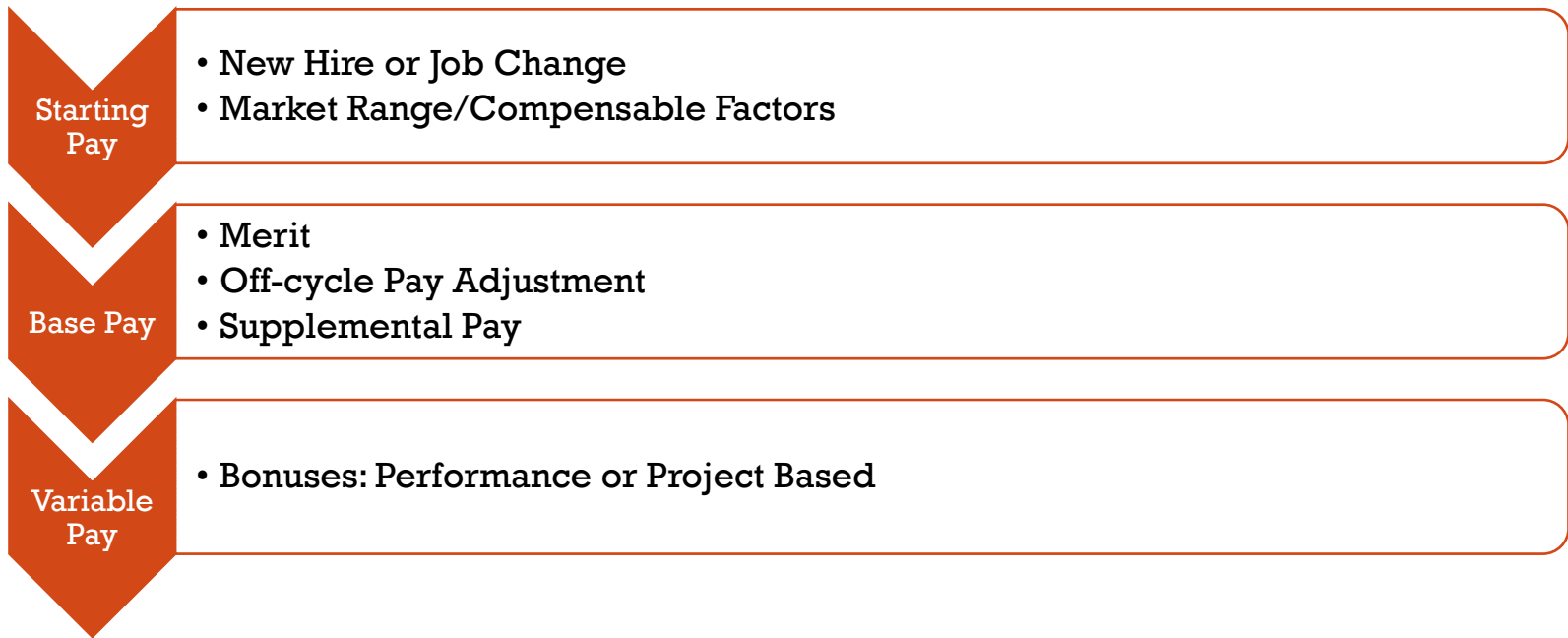


Definition: Supplement to base pay to address temporary or business-driven compensation concerns.

- **Temporary/Acting Pay:** Management-initiated temporary supplemental adjustment to an employee's pay for assuming new duties and responsibilities on an interim basis
- **Differential Pay:** Reflects specified job conditions (shift, hazards, etc) and/or makes salaries competitive with the market. Differentials may be applied to jobs, geographic locations, or individual positions in the University
- Must have the approval of the appropriate Vice President or Dean



COMPENSATION



BONUSES

- Schools/units fund and provide bonuses to recognize contribution, achievement of significant performance milestones, and/or address specific organizational needs.
- Non-monetary awards or leave (up to 5 days per calendar year) can be provided in recognition of teamwork, special project completion, identification/implementation of new or modified business practices, exemplary effort, and employee appreciation
- Types: Reward & Recognition, Referral, Project, Retention, Sign-on
- Bonus amounts are at the discretion of the School or Department, but are limited to the maximums set forth in the policy; \$2,000 (Reward and Recognition) for Classified/ \$3,000 or 10% of salary, whichever is greater for University Staff



COMPENSATION RESOURCES

- ❑ DHRM for Classified Staff (www.dhrm.virginia.gov)
- ❑ Compensation Policy (HRM-024) University Staff
(<http://uvapolicy.virginia.edu/policy/HRM-024>)
- ❑ UVA Job Structure (www.hr.virginia.edu/job)
 - Title Summary Tool
 - Title Summary Comparison Tool
 - Career Development Compass
- ❑ Total Compensation Statement in Benefits@ (www.hr.virginia.edu)
- ❑ “Competitive Compensation Issues” (www.virginia.edu/wages)



QUESTIONS?

