COMPENSATION PROGRAM GUIDELINES
Non-Represented Administrative/Professional (A/P) Employees

Purpose

The following Compensation Program Guidelines are intended to provide a framework for the administration of compensation for non-represented staff employees by describing typical salary transactions and clarification of who has authority to approve salary changes. This program covers the following employee groups: Management (MA), Management - Non-Exempt (MN), Non-Represented Exempt (NE), Non-Represented Non-Exempt (NN), Non-Represented Clerical (NC) and Non-Rep Hourly (NH) employees.

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Disclaimer

This document is intended as a summary of the program features. It is not intended to and does not create an express implied contract of employment. It does not contain any promises by the university and the university is not legally or otherwise bound by it. Wayne State University reserves the right to amend, modify, or terminate this program at any time and in any manner. The Compensation Program Guidelines for the Non Represented Administrative/Professional (A/P) Employees are not intended to apply, either directly or indirectly, to employees covered by collective bargaining agreements with the university. Please refer to the collective bargaining agreement for guidance relative to represented employees.

Compensation Philosophy

The Wayne State University Non-Represented A/P Compensation Program is designed to achieve the following objectives:

- To support university mission and goals.
- To deliver market competitive compensation to attract, retain, and motivate a high performing workforce.
- To utilize a total rewards approach to ensure that our combined compensation and benefits programs are positioned appropriately to the market.
- To provide a compensation program that is flexible and fiscally responsible.
- To provide its employees with compensation guidelines which are clear and easy to administer.
- To monitor and incorporate market practices.
- To ensure that managers conduct regular performance reviews and administer merit salary increases to promote the linkage between pay and performance.

Program Elements

The key terms used in this document include:

**Salary Structure** is a set of salary bands that encompass the competitive salary rates in the marketplace. Each **Salary Band** is defined by minimum and maximum dollar values. Under the band structure, **intraband reporting** is prohibited (i.e., managers and their subordinates in the same reporting line cannot be in the same salary band).

**Job** is a collection of tasks, functions and responsibilities that an employee is responsible to conduct. Each **Job Title** captures a unique job role and has a corresponding **Job Description** (a formal document, approved by Total Rewards that describes the purpose, essential functions, scope, minimum qualifications and required knowledge, skills and abilities of the job title).

**Position** is a job assigned a specific position number, typically occupied by a single individual.
Responsibilities

The Executive of a School, College or Division (S/C/D), is the top leadership position in the S/C/D (“Unit”), who has the authority to approve all compensation transactions covered by these Guidelines.

The Provost and Senior Vice President may delegate authority on compensation matters to Deans of the Schools and Colleges. One over one approval required for all compensation activities.

Vice President approval may be required for certain compensation actions, as specified in the detailed sections of these guidelines.

The Unit Executive has the authority and responsibility to:

- Review and approve compensation decisions (i.e., new hire offers, promotions/demotions, transfers, etc.) in his/her Unit.
- Ensure that all managers maintain a thorough knowledge of the compensation guidelines so all managers can uniformly and consistently administer the program in his/her Unit.
- Consult with Human Resources on compensation matters as appropriate.
- Ensure that their managers conduct regular performance reviews and link compensation decisions to employee performance.
- Ensure that all employees in their Unit have a current and accurate job description by implementing regular updating of all job descriptions, at least annually.
- Address internal equity concerns or individual employee questions over compensation in his/her Unit.

The Total Rewards department responsibilities will include:

- **Salary Planning & Program Development**
  - Design compensation program elements, including base salary and variable pay
  - Prepare recommendations for changes in compensation administration

- **Salary Structure Development**
  - Recommend annual salary band structure and merit budgets
  - Analyze jobs and their salary bands periodically to confirm competitiveness
  - Review organizational structure to ensure no intraband reporting, (i.e., managers and their subordinates in the same reporting line should not be in the same salary band).

- **New Job Creation/Market Reviews**
  - Analyze and evaluate new jobs or jobs that have changed
  - Assist Units with development of job descriptions and reorganizations
  - Conduct market pricing if available or use slotting to place jobs into the salary band hierarchy

- **Consult with Management**
  - Consult with university Units to assist them in making sound compensation decisions
  - Develop and administer Compensation Guidelines
  - Work with university Units to ensure that compensation guidelines are utilized
  - Review exceptions to compensation guidelines and provide guidance to management
  - Monitor and report on salary transactions in the various Units.
General Salary Transactions

Posted Position Salary Offers

- A salary offer for a posted position that has gone through a competitive selection process is defined as the salary offered to the selected candidate (internal or external).
- The starting pay should be based on market data and:
  - within a range equivalent to +/- 20% of the market rate of pay
  - based on the candidate’s experience and skills or competencies
  - must be between the minimum and the maximum of the job’s salary band
  - internal salary equity analysis
- Upon request, Total Rewards will determine a reasonable range of pay for the salary offer.
- Total Rewards will work with the Unit and Client Services to ensure that job postings reflect the assigned salary band.
- The decision about the amount of the salary offer must be approved by the Executive of the S/C/D based on available funding within the Unit’s budget and sent to the Client Services Director for final salary approval and processing.
- The university permits limited use of sign-on bonuses for new hires which require Vice Presidential approval.
- A posted position salary offer must be documented by completion of a Salary Offer Spreadsheet Form which is signed by the Executive of the S/C/D. A copy must be sent to the Client Services Director for final approval of the proposed salary and processing prior to employee notification.

Annual Merit Increases

- A merit increase is defined as an increase to an employee’s base salary which reflects the individuals’ performance, or “merit”.
- A common annual increase date is utilized for all Non-Represented employees; however, such annual salary adjustments are not automatic.
- The amount of an employee’s annual merit increase depends on the overall merit budget and the individual’s performance review rating.
- If an employee is close to the salary band maximum, he/she may receive a partial merit increase which adjusts the base salary to the salary band maximum. Any remaining merit increase, which would cause the base salary to exceed the salary band maximum, will be paid as a merit lump sum payment amount (which is eligible for retirement contributions).
- Individuals may fall below the minimum of the salary band and Units are not required to bring employees up to the salary band minimum.

Vacant and New Jobs (See EXHIBIT 1)

- A vacant job is defined as a job with a prior incumbent and a new job is defined as a job with no prior incumbent.
- The Unit should explore whether a job title and job description exists in the Unit that sufficiently matches the duties and qualifications needed by the hiring Unit.
- Total Rewards will work with the Unit and Client Services to determine whether a new job is properly characterized as “Non-Represented” before any internal promotion or external job posting.
- If a job title and job description DOES exist within the Unit, then the Unit may promote or transfer an employee from within that Unit or may post the position.
- If a job title and job description DOES NOT exist within the Unit, then the Unit will develop a Job Description and Total Rewards will conduct a Market Review. Upon approval by Total Rewards to establish the job title within the Unit, the position must be posted.
EXHIBIT 1
Action Steps for New or Vacant Jobs

New Job

Does a job title and job description exist within the Unit that matches?

No

Create new job title and job description

No intraband reporting is allowed

Total Rewards Market Review

• Prepare job description
• Market price the job
• Assign to salary band

Post the job on WSU online hiring system

Yes

Use an existing job title and job description

No intraband reporting is allowed

Go to Exhibit 2
Promotions and Demotions

- If an employee is promoted from a non-rep A/P job to a job title in a higher salary band that is not the result of a job posting this promotion is subject to the following guidelines:
  - A promotional salary increase is up to 10% of base pay (or up to 15% if the promotion involves a move across 2 or more salary bands).
  - In no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the new job.
  - A promotional salary increase shall be effective on the date the new job duties begin.
  - An employee can only be promoted once in a twelve (12) month period.
  - A promotion must be supported by evidence such as assuming greater responsibility or moving to a job with a larger scope; taking on new responsibilities that require higher skills or experience, etc.
  - Internal equity analysis completed in conjunction with Client Services prior to offer.
  - Vice President approval is required for any proposed promotional increase amount that exceeds the 10% (single band) or 15% (multiple bands) and takes the salary of the employee above the minimum of the new band.

- A temporary promotion is defined as a promotion where the employee assumes the FULL duties of another job in a higher salary band and is subject to the following guidelines:
  - The assignment is for a temporary time period (i.e., for a period of greater than one (1) month but less than one (1) year).
  - The employee may receive a promotional salary increase (see above).
  - Upon return to the regular original job, the promotional salary increase must be removed.
  - Vice President approval is required for any proposed temporary promotion increase amount that exceeds the 10% (single band) or 15% (multiple bands) and takes the salary of the employee above the minimum of the new band.
  - The decision to extend the term of a temporary promotion must be approved by the Executive of the S/C/D and appropriate funding must be available within the Unit’s budget.

- A demotion is defined as a voluntary or involuntary move to a new job in a lower salary band and is subject to the following guidelines:
  - A demotional salary decrease is up to 10% of base pay (or up to 15% if the demotion involves a move across 2 or more salary bands).
  - In no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the new job.
  - A demotional salary decrease shall be effective on the date the new job duties begin.
  - A demotion must be documented by a written rationale which is signed by the Executive of the S/C/D (a copy must be sent to Total Rewards).

- A promotion, temporary promotion, or demotion must be documented by completion of a Promotion/Demotion Form which is signed by the Executive of the S/C/D. A copy must be sent to the Client Services Director for final approval of the proposed salary and processing prior to employee notification.

- A promotion, temporary promotion, or demotion must not result in intraband reporting (i.e., managers and their subordinates in the same reporting line cannot be in the same salary band).
Transfers and Career Developmental Assignment (See EXHIBIT 2)

- A transfer is defined as a move from one job title to another job title where both job titles are within the same salary band, and includes 2 types:
  - An external transfer - a transfer between Units and generally occurs when an employee responds to a job posting for another Unit on the WSU on-line hiring system.
  - An internal transfer - a transfer to a job within the same Unit.

- If an employee requests a transfer by responding to a job posting or makes a lateral move within the same Unit, there will be no salary change.

- If an employee is selected for a lateral internal transfer by a Unit, this type of transfer is defined as a career developmental assignment and is subject to the following guidelines:
  - The internal transfer must be initiated by the Unit; and
  - The assignment is likely to further develop the skills and expertise of the employee and is designed to meet Unit needs; and
  - The assignment is for a period of greater than six (6) months but less than two (2) years; and
  - The employee may receive a career development assignment salary increase of up to 5%; and
  - Upon return to the regular original job, the career developmental assignment salary increase is not removed.

- An internal transfer which is a career development assignment must be documented by a written rationale providing the reasons for the action by completion of a Career Development Assignment Transfer Form which is signed by the Executive of the S/C/D and sent to the Client Services Director for final salary approval and processing.

- Vice President approval is required for any proposed career developmental assignment increase which exceeds 5%.

- The decision to extend a career development assignment, and whether it warrants any salary increase, must be approved by the Executive of the S/C/D and appropriate funding must be available within the Unit's budget.
EXHIBIT 2
Action Steps for Promotion or Transfer

No, higher salary band

job title in same salary band?

Yes, same salary band

No intraband reporting is allowed

No intraband reporting is allowed

Internal candidate within Unit?

Internal candidate within Unit?

Promotional increase greater than 10%?

Post the job on WSU online hiring system

Transfer (Career development assignment)

Yes

Yes

No

Yes

No

Yes

No

Vice Presidential approval

Promote
Special Salary Amounts

Salary Equity Adjustments (See EXHIBIT 3)

- A salary equity adjustment is defined as a one-time base salary increase (or decrease) for an individual employee.

- A salary equity adjustment increase is limited to 10% of the employee’s base pay, but in no event shall the employee be paid less than the salary band minimum or more than the salary band maximum for the job.

- A salary equity adjustment is limited to once per fiscal year for any single employee.

- Upon request, Total Rewards will determine a reasonable range that represents the market rate of pay, considering the experience and performance of the employee.

- A salary equity adjustment may be provided for business reasons including, but not limited to:
  - taking on a significant change of 25% or more in responsibility that results in a greater scope of responsibility within the current salary band,
  - to ensure equity with peers,
  - to resolve a compression problem resulting from a new hire,
  - or to retain a key employee.

- A temporary salary equity adjustment may be provided to an employee who assumes 25% or more of the equivalent or higher level duties of another job. Such an adjustment would be for a period of greater than one month and less than one year. Increase is removed upon completion of assignment.

- A salary equity adjustment must be documented by completion of a Salary Equity Adjustment Form which is signed by the Executive of the S/C/D, a copy must be sent to the Client Services Director for final salary approval and processing. The request form must be signed by the Executive of the S/C/D and signature authority may not be delegated.

- Vice President approval is required for any proposed salary equity adjustment increase which exceeds 10%.

Market Reviews

- A market review is defined as a study by Total Rewards to identify the market rate of pay for a new job or existing job upon Unit request and to determine the appropriate salary band assignment for a job.

- Total Rewards will conduct a Market Review for new jobs, including assisting the Unit develop a job description, market pricing the job, and determining the salary band.

- Total Rewards will periodically review market data for jobs, for the purpose of identifying any unique and substantial changes in the market supply or demand for particular jobs.

- Total Rewards will refer decisions on pay level for individual employees to the Unit.

- If a job is expanded by assuming duties assigned to other position(s), all impacted positions will be reviewed to determine the correct salary band assignment.
• If the market review results in a change in job title, posting is not required.

• Vice President approval is required for any proposed salary adjustment which exceeds 10%.

**Reorganizations**

• A reorganization is defined as:
  - A restructuring of Unit job functions in response to a new approach to conducting business;
  - A general downsizing involving two or more positions.
  - The merging of Units resulting in the reassignment of position duties and responsibilities throughout a Unit.

• The following does not constitute a reorganization:
  - The reassignment of duties from one job to another due to the loss of a position;
  - The assignment of limited new or additional duties to a position, or
  - A similar, lesser distribution of Unit responsibilities.

• In the event of a reorganization, Total Rewards will review all affected positions to determine their appropriate salary band assignment. If it is determined that positions be assigned new job titles not currently existing in the Unit, these jobs will not need to be posted if they are to be filled by non-represented employees (employee groups MA, NN, NE and NC) in the same Unit. If it is the intent to conduct a search, fill the jobs with non-represented employees from outside the Unit or fill the jobs with employees currently in a collective bargaining Unit, the positions will need to be posted.
EXHIBIT 3
Action Steps for Salary Equity Adjustment

Current base salary is in question?

Yes

Concerns:
- Increase in scope
- Equity with peers
- Compression from new hires
- Retention of key employee

Unit decision: adjust base pay of individual employee
Other Compensation Transactions (See EXHIBIT 4)

The Unit, subject to available funding, will have authority to provide additional compensation for the following situations:

- **Assumed FULL duties of another job** – The base salary shall be adjusted for the period of the additional duties, but must be approved in advance by the Executive of the S/C/D. The additional compensation will be paid as a temporary promotion (see above). Attachments will no longer be utilized.

- **Assumed PARTIAL duties (25% or more) of another job** – The base salary shall be adjusted for the period of the additional duties for a period of greater than one month and less than one year.
  - If the employee is exempt from overtime (Eclass MA or NE), the additional compensation should be paid as a temporary promotion or a temporary salary equity adjustment.
  - If the employee is not exempt from overtime (Eclass NN or NC), the additional compensation should be paid in accordance with the additional service assignment provisions of APPM Section 3.3.1, subject to the following guidelines:
    - The duties are in addition to the individual’s first or regular assignment and are in a separate Unit.
    - The additional service assignment requires prior approval by the Executive of the S/C/D for the Unit where the employee is regularly assigned (home Unit) and the Executive of the S/C/D for the Unit where the work will be performed (a separate Unit).
    - The additional service assignment generally should not exceed 25% of the individual’s regular salary for the same period of service in his/her home Unit.
    - The additional service assignment will be eligible for overtime compensation in accordance with wage and hour laws.
    - The employee’s rate of pay for the additional service assignment should reflect the market rate of pay.
    - Upon request, Total Rewards will determine a reasonable range that represents the market rate of pay.
    - Total Rewards will work with the Unit and Client Services to ensure that additional service assignments are paid at the defined market-based rate of pay.
    - The rate of pay must be approved by Human Resources before services are performed based on job functions and responsibilities.
    - Full and part-time employees with a regular WSU assignment cannot be hired as a temporary employee – see APPM 3.2.3.
  - An additional service assignment is not to be used as a way to negate overtime pay.
EXHIBIT 4
Other Compensation Transactions

What level of additional duties are assigned?

Full duties of another job

Temporary promotion

Partial duties of another job

Exemption status

Non-Exempt

Additional service assignment

Exempt

Temporary equity increase
## Job Change Reason Matrix

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<thead>
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<th>Employee Class</th>
<th>Appropriate Job Change Reason(s)</th>
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<tr>
<td>New Hire (Posted Position)</td>
<td>All</td>
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<td>Annual Merit Increase</td>
<td>All</td>
<td>MASAL</td>
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<tr>
<td>Promotion</td>
<td>All</td>
<td>CJPRO</td>
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<tr>
<td>Temporary Promotion (assumes full duties of another job)</td>
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<td>RTTEM</td>
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<tr>
<td>Exempt Employee, assumes partial duties of another job</td>
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<td>PAEQU</td>
</tr>
<tr>
<td>Non-Exempt Employee, assumes partial duties of another job - EXTERNAL UNIT</td>
<td>NC, NN</td>
<td>ADDIT</td>
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<td>Non-Exempt Employee, assumes partial duties of another job - HOME UNIT</td>
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<td>Demotion</td>
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<td>Transfer, Internal</td>
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<td>Career Development Assignment</td>
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<td>Salary Equity Adjustment</td>
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<td>Return from Temporary Salary Equity Adjustment</td>
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<td>Posted Position (Internal Candidate moves to higher band, external to home Unit)</td>
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<td>Any change in classification title</td>
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