

# Salary Setting Guidelines for Classification Actions

Your staff member's position description has been reviewed and a change in classification has been determined. It is important to first identify the type of classification action that has happened and then the type of salary structure associated with the new classification.

## Action types:

- If the salary range of the employee's current payroll title has a lower salary range maximum than that of the new classification the action is considered an upward reclassification. This is an action that typically results in a change in salary.
- If the salary range of the employee's current payroll title is identical to that of the new classification, the action would be considered a lateral reclassification. Typically no salary action results from this type of action.
- If the current salary range maximum for the employee is less than that of the new classification payroll title this action would be considered a downward reclassification. These actions may result in the red-circling of the employee's salary if their current rate exceeds the salary range of the new classification.

## Salary structures:

- Step-Based Range - A salary structure with standard progression rates established within a pay range for a job. Employees may progress on a predefined step-to-step on the basis of performance.
- Open Range - A salary structure with a minimum and maximum value to the pay range for a job. Individual progresses through the range based on performance and increases may be based on % or dollar amounts.
- Flat Rate - a single rate for all incumbents in the payroll title, typically used for per diem titles.

## SETTING SALARIES FOR UPWARD CLASSIFICATION ACTIONS

your staff member's position has been upwardly reclassified and you are contemplating making a salary change. The next step is to formulate the salary change; but before you do this, it is important to examine salary from several perspectives including internal equity in relation to peers in the same classification, the candidate's salary history, bargaining agreements, personnel policies, and your organization's practices. The following guidelines are provided to you in an effort to guide and assist you in examining salaries from those perspectives.

- **NON-REPRESENTED EMPLOYEES (not represented by a bargaining unit , 99's and K-3, Open Ranges and Step-based structures)**

An employee who is upwardly reclassified to a payroll title with a higher salary range maximum may receive a salary increase provided that the resultant salary does not exceed the maximum of the new salary range. However, the same guiding principles outlined above should be considered. It is important to note that some individual departments will/do have narrower

guidelines that were devised to allow for budgetary constraints. In these situations, the department's narrower guidelines will take precedence over the general Campus guidelines.

### **EVALUATE A CANDIDATE'S EXPERIENCE IN RELATION TO PLACEMENT WITHIN A SALARY RANGE**

Consideration should be given to the level of experience in position-related areas that an employee possesses in relation to placement within the salary range for the classification. For example, salaries near the minimum of the range are appropriate for new employees who are in the learning stage of their positions. As another example, salary set above the 1st Quartile is generally to compensate for fully competent trained staff with average experience. Salary offers above mid-point of any salary range may be considered but prior to asking for approval you will need to articulate the reasons that the individual's background and experience support placement higher in the range. Also consider the additional points outlined below with respect to internal equity and their salary history.

### **EVALUATE THE EMPLOYEE'S PROPOSED SALARY IN RELATION TO PEERS OF SAME CLASSIFICATION**

Salary equity among employees is an important consideration when setting/changing salaries, since perceived inequity impacts employee morale and motivation, but also triggers contentions of discrimination and/or can prompt other grievances. When determining changes in salaries, the skills and work experience of the employee should be compared to the skills and work experience of other employees performing similar work and the result of the comparison should be factored into your salary decision. Salary equity does not imply that all employees within a classification who have similar years of experience and education should be paid the same salary. It is assumed that recognition of varying levels of skills and performance, for example, may result in differences in salary among employees.

### **EVALUATE A CANDIDATE'S SALARY HISTORY**

The salary history of the employee should be taken into consideration. Specifically, attention should be given to the candidate's previous experience as it relates to the responsibilities and required skills in the new classification, in order to see how they compare. Consideration of past experience and corresponding salary can/will help you to establish a salary rate in your deliberations.

### **EVALUATE YOUR BUDGET**

as you consider the appropriate salary action, you need to also evaluate the impact on your budget. Not only do you need to consider the salary for your employee, but also if the action causes internal equity issues the budget impact for those potential changes as well.

### **REPRESENTED EMPLOYEES (represented by a bargaining unit)**

A represented employee who is upwardly reclassified to a payroll title with a higher salary range maximum may receive a salary increase in accordance with their collective bargaining agreement. It is important to note that bargaining agreements are not exactly alike. The bargaining agreement language covering any given employee must be referenced whenever you are contemplating a decision about salary.

Please consult with Compensation Services regarding collective bargaining stipulations prior to making the final salary decision. **SALARY SETTING FOR POSITIONS THAT ARE LATERALLY RECLASSIFIED**

an employee's position which is laterally reclassified to a payroll title that has an equivalent salary range typically does not receive a change in salary.

**SALARY SETTING FOR POSITIONS THAT ARE DOWNWARDLY RECLASSIFIED**

an employee whose position is downwardly reclassified into a payroll title that has a lower salary range maximum may receive a decrease in salary. In most instances the employee's salary will be red-circled. Red-circling the salary means that an individual's pay rate that is above the established range maximum assigned to the job grade. Hence, the incumbent is usually not eligible for further base pay increases until the range maximum surpasses the individual pay rate.

Finally, it is important to know that these guidelines are not intended to provide an answer to every possible situation presented to you. Consequently, we recommend that you refer to the appropriate campus policy, bargaining agreement, and departmental practice that govern your situation and the specific employee or individual. Furthermore, if after reviewing these guidelines you have questions about a particular situation or would like general assistance you are encouraged to consult with Compensation Services.

On-line references:

[Personnel Policies for Staff Members](#)

[Bargaining Agreements](#)

[Equity Guidelines](#)