

## UAB Employee Compensation Guidelines

June 2010

As we continue to assess how to best invest institutional resources in times of fiscal restraint, it is imperative that we implement and promote to UAB-wide employee compensation policies that effectively support our most important asset – our workforce. To assist our academic and administrative units with these decisions, the following Employee Compensation Guidelines are provided for the FY 10-11 budgetary year:

1. After two years without a general salary increase plan, UAB is making available a merit-based salary option to reward performance and keep UAB salaries competitive. Each College/School/Unit electing to participate must submit a merit-based, salary increase “Plan” for review and approval to the Provost/VPFAA no later than 7/16/10. UAB’s institutional target is for College/Schools/Units to submit Plans with a 3% pool for merit-based distribution among faculty and staff (if funding is available). Plans should include total salary pool dollars to be made available (with % of total salary base this represents) and planned ranges for individual increases (e.g. 1-5%). All Plan submissions should identify appropriate sources of sustainable funding. College/School/Unit Plans may also include market equity considerations as part of allocation and distribution methodologies. Each College/School/Unit considering a Plan with market equity component should fully discuss with HR before submitting. All Plans must require that individual, merit-based salary increases align with level of performance reflected in annual evaluations. Plans may consider annual evaluations from the previous two years when no general salary plan was available. Individual salary increases of more than 10% under Plan will require prior Provost/Vice President for Finance and Administration (VPFAA) approval. Once approved, all Plans must complete salary pool distributions and implement salary adjustments for faculty and monthly paid staff effective 10/1/10 and bi-weekly paid staff effective 9-26-10.
2. The UAB General Wage Structure and Faculty Ranges will not be adjusted.
3. Salary adjustments for probationary, job rate and establish step rate programs (including graduate assistantships/stipend increases, resident progression and student salary adjustments) may proceed in accordance with established UAB and departmental policies provided funding is available. These adjustments must be funded by College/School/Department and approved by the appropriate VP, Dean or Library Director.
4. College/Schools/Units with previously established compensation incentive plans must submit these plans for recertification as required by existing UAB incentive program guidelines by 7/16/10. College/Schools/Units proposing new incentive plans must submit these plans by 7/16/10 to be considered for implementation in FY 10-11. Please refer to the UAB incentive program guidelines for further information.
5. College/Schools/Units will be permitted to continue to fund faculty promotions for FY10-11. Staff promotions into pre-approved positions will also be permitted. Salary adjustments for promotions must be endorsed by the appropriate College/School/Department VP, Dean, or Library Director.
6. College/Schools/Units may request new positions for FY 10-11 under established HR procedures. New positions will be reviewed by HR Compensation in order to determine if the classification desired is

appropriate. All new positions will require approval from the applicable College/School/Department VP, Dean or Library Director.

7. Position reclassifications will be permitted on a limited basis. All requests for position reclassifications should be carefully considered in light of current budget restraints and evolving program needs. Please note: once a position has been reviewed for reclassification, it is not eligible for review again for a minimum of 12 months. Reclassifications will require approval from the applicable College/School/Department VP, Dean, or Library Director.
8. Shared salary adjustments between two or more funding sources where the total salary does not change (e.g. HSF/IAB/VA/UABHS) may be approved at the appropriate VP, Dean, or Library Director level after review by HR.
9. Salary adjustments for UAB employees who make lateral transfers should be carefully considered in light of relative College/School/Unit Salary Plans, current budget restraints and evolving program needs. Increase less than 10% should be submitted/reviewed by HR with support/approval by the applicable College/School/Department VP, Dean, or Library Director.
10. Requests for salary adjustments as part of a competitive retention package will be reviewed on a case-by-case basis. Initial review and approval is required from the College/School/Department VP, Dean, or Library Director. Once this approval is obtained, departments should submit the request and approval to HR. HR will review and submit to the appropriate UAB senior administrator (Provost/VPFAA) for final approval.
11. Requests for additional compensation for supplemental duties must be approved by the College/School/Unit VP, Dean, or Library Director prior to submission for HR review. Please note: additional/supplemental duties should be temporary in nature (less than 6 months).
12. Departments requesting salaries for New Hires with proposed salaries above the midpoint of the range require review/approval by the appropriate VP/Dean/Director after HR review/approval. This includes persons moving from student or temporary initiated positions into permanent/full-time or part-time positions.
13. Fixed Increment Payment (FIP) requests will be considered for FY 10-11. FIPs are one-time, non-recurring lump sum salary payments used in limited cases where an employee has reached maximum wage in a pay band and a merit-based payment is justified. FIPs may also be used to reward individual performance in unique or unusual significant special projects of limited duration that require extensive time and effort above and beyond regularly assigned job duties (note: a 12-month payment distribution schedule may be required for employees receiving FIPs that are funded on federally-sponsored projects). FIP recommendations must be submitted to the Office of the Provost/VPFAA no later than 7/16/10. Approved FIPs will be effective 10/1/10.

**The following list summarizes the review and approval process for FY10-11 compensation actions:**

VP/Dean/Library Director approval after initial review/approval by HR:

1. probationary increases
2. requests for new positions

3. staff promotions
4. reclassifications
5. lateral transfers with increases of less than 10%
6. salary share adjustments between two or more funding sources where the total salary does not change (e.g. HSF/UAB/VA/UABHS)
7. graduate assistantships with annual stipend increases
8. resident progression increases
9. elements for additional and/or supplemental duties
10. new hires with proposed salaries above the midpoint of the range
11. student salary adjustments

UAB senior administrator (Provost/VPFAA) approval after full HR review/approval and endorsement by appropriate VP/Dean/Director:

- a. merit-based salary increase Plan (including any market equity component)
- b. FIPs
- c. merit increases and/or lateral transfers with increases of 10% or more
- d. faculty promotions
- e. competitive retention packages
- f. established and previously approval incentive Plans

Any questions or concerns regarding these guidelines should be directed to your HR Representative or HR Compensation.