

**DRAFT of 09.08.22**

# **Administrative Policies and Procedures Manual - Policy 3500: Wage and Salary Administration**

**Date Originally Issued: 07-01-1991**

**Revised: 01-01-1997, 03-21-1997, 08-01-2006, 10-01-2007, 10-02-2013, 10-01-2014, 08-20-2015, 11-19-2015, 07-08-2017, 03-18-2019**

Authorized by [RPM 6.3 \("Privileges and Benefits"\)](#)

Process Owner: Assistant Vice President for Human Resources

## **1. General**

The University of New Mexico's compensation package consists of both salary and benefits. Benefits have a monetary value and both the University and employee should consider this value when reviewing compensation. This policy describes the administration of the University's wage and salary program. Benefits offered by the University are discussed in UAP 3600 (Eligibility for Employee, Retiree, and Dependent Benefit Plans) and UAP 3700 (Education Benefits). As a public institution, employee salaries are public information as described in UAP 3710 ("Personnel Information Disclosure Policy"). This policy should be read within the context of UAP 3000 ("Guiding Principles"). This policy applies to all non-bargaining staff employees. Refer to the applicable collective bargaining agreement for compensation policies and procedures for employees covered by a bargaining unit.

## **2. Staff Salary Structure**

The Division of Human Resources (HR) assigns each staff job title to a specific pay grade that has an established minimum to maximum range of allowable salary rates. Staff employees will not be paid at a rate less than the minimum for their grade or minimum wage, whichever is higher. Refer to the [Staff Salary Structure](#) on the HR website for current pay ranges. HR will conduct periodic reviews to assess the accuracy and competitiveness of the Staff Salary Structure and will make changes as indicated.

## **3. Salary Determination**

When hiring a new employee, re hiring a former employee, or adjusting a current employee's pay, management and HR will determine the employee's salary prior to making a salary offer or adjustment. The salary will be based on the

grade of the position and the individual's qualifications, job-related experience and education, as well as budgetary considerations, subject to the following provisions.

### **3.1. Establishing a Salary**

When establishing a salary, departments should consider factors such as:

- The extent to which the employee's education and years of job-related experience exceed the minimum requirements for the position.
- Job market-related pressure on salary levels.
- Internal equity considerations.
- Internal budget constraints.

Salary placement parameters are determined by the Salary Placement and Equity Tool (SPET) based on the above factors. A request for a salary rate outside the salary placement parameters established by HR may be considered for individuals in unique circumstances, who have highly desirable competencies or in cases of unusually critical market-related pressure on salary levels, as determined in consultation with HR. A written justification for all salaries outside HR's salary placement parameters must be submitted with the qualifying personnel action request and be approved by HR.

### **3.2. Internal Equity**

For purposes of Internal Equity, qualifying personnel actions include new hires, rehires, reclassifications, career ladders, demotions, and salary placement reviews. If the Level 3 organization has one (1) or more employees in the same job title as the employee undergoing the personnel action, the proposed salary should generally be similar to the current salary of any employee in the department with the same job title and comparable qualifications. Existing employees' salaries with comparable or greater qualifications shall not be paid below the salary of the employee undergoing the requested personnel action. The assessment of comparable qualifications includes education and job-related experience beyond the minimum qualifications required for the job. Managers should also consider an incumbent's relevant competencies and documented job-related performance. The assessment will be conducted in collaboration between the requesting department and management of the Level 3 organization, in consultation with HR. If the proposed salary for an employee subject to the requested personnel action would create an inequity, the requesting department must consult with Level 3 organization management and HR to determine appropriate salary

adjustments for existing employees. Equity increases must be approved by HR before the initial requested personnel action can be effective and occur.

In exceptional circumstances, a dean or vice president may request approval to administer internal equity at a scope other than the Level 3 organization. Such requests shall: 1) require advance written approval of the appropriate Executive Vice President and the Assistant Vice President for Human Resources; 2) be subject to periodic review and renewal as necessary; and 3) not be considered for individual personnel actions or requests.

## **4. Salary Changes**

A staff employee's salary may be changed by any of the actions specified below.

### **4.1. Annual Increases**

In July of each year, the University Board of Regents may allocate funds for salary increases. Each year that funds are available, increase guidelines including an across-the-board percentage and/or lower and upper limits for increases will be provided by HR.

#### **4.1.1. Increased Cost of Benefits**

If the cost of mandatory or non-mandatory benefits increase, the funds necessary to meet these increases are allocated before other increases in compensation are considered. These increases may be due to increases in the University's share of taxes and benefits, such as social security tax, retirement, or health insurance.

### **4.2. Adjustments to the Staff Salary Structure**

Based on the results of periodic reviews performed by HR, the Staff Salary Structure may be adjusted to reflect changes in the marketplace or laws governing employee compensation. Changes in the Staff Salary Structure will typically not result in salary increases other than to bring all regular employee salaries up to the new minimum of the respective pay grades.

### **4.3. Change in Grade**

Employees undergoing the personnel actions identified in Section 4.3 may be eligible for a salary adjustment, in accordance with the criteria provided in Section 3 herein.

### **4.3.1. Competitively Selected for a Position in a Higher, Lower, or the Same Grade**

If a University employee applies for and is competitively selected for a position in a higher, lower, or the same grade in accordance with [UAP 3210 \("Recruitment and Hiring"\)](#), the employee's new salary is determined according to [Section 3](#) herein. The employee's new salary is based on the employee's qualifications and hiring officers shall use the same salary criteria that would be used if they were hiring an applicant from outside the University.

### **4.3.2. Demotion**

If, in accordance with [UAP 3215 \("Performance Improvement"\)](#), an employee voluntarily agrees to a demotion, the employee's salary may be decreased. The demoted employee's new salary is determined by their dean or director in consultation with HR.

### **4.3.3. Reclassification**

An employee may be reclassified to a higher or lower pay grade if there are significant changes in a position's duties and responsibilities. A salary increase may be given if a job is upgraded. The movement of a position to a lower grade may result in a salary decrease. If the salary will decrease, it will not be effective until ninety (90) days after the employee has been notified in writing of the salary change.

### **4.3.4. Market Study**

Periodically, a market study of job classifications will be conducted by HR. Jobs may be upgraded if data show that they have fallen below the designated market. Salaries may be adjusted upward when market data obtained from the market study indicates such adjustments are warranted.

### **4.3.5. Grade Change Because of Career Ladder**

A career ladder is a planned progression to a new job, usually at a higher grade, that is negotiated between an employee and his or her manager. The completion of the career ladder may result in a salary increase that must be authorized by HR.

## 4.4. Acting or Interim Appointments

Employees designated as Acting or Interim Appointments pursuant to [UAP 3210 \("Staff Recruitment and Hiring"\) Section 5.6](#) may be eligible for a salary adjustment, in accordance with the criteria provided in Section 3 herein. All such adjustments must be authorized by HR and are effective during the term of the appointment.

## 4.5. In-Range Salary Adjustments

In-range salary adjustments will be considered when an employee's scope of responsibilities has expanded and the additional duties are a substantial part of the employee's workload.

An employee who has assumed a significant amount of additional duties or responsibilities may be awarded an in-range adjustment within the employee's current pay range within the Salary Structure. In-range adjustments are typically associated with the assumption of additional responsibilities due to a recently vacated position, but may also be considered in cases of expanded scope of operational or business needs within a department.

The additional duties must be a significant portion of the employee's workload and will be performed for an extended period of time. In-range salary adjustments can be awarded on a temporary or on-going basis. Temporary in-range salary adjustments can be awarded for a period not exceeding twelve (12) months. Continuous in-range adjustments are awarded indefinitely.

Because an in-range salary adjustment is used to acknowledge employees performing outside the scope of their regular job title, an in-range salary adjustment will not result in an evaluation of equity or equity-based adjustments for individuals in the same job classification. All salary adjustments must be authorized by HR.

## 4.6. Transfer

A transfer is defined as a non-competitive lateral move from one (1) job to another, or one (1) geographical location to another, in the same or similar classification within the same job grade. A transfer does not involve a salary change.

## 4.7 Salary Placement Review

Departments may request salary placement review when there are concerns that a current employee's salary level is inconsistent with the salary placement parameters identified by the Salary Placement and Equity Tool based on the employee's qualifications, including education and job-related experience above the minimum qualifications of their position. A final review will be conducted by HR and all salary adjustments resulting from the review must be approved in advance by HR.

If the salary placement review results in a recommended salary increase, and the increase would create an inequity, the hiring department must consult with Level 3 organization management and HR to determine appropriate salary adjustments for existing employees or if a subsequent review is needed. Equity increases must be approved by HR before the qualifying personnel action can be effective and occur.

## 4.8 Counteroffers and Retention Offers

The University strives to retain high-performing employees who provide critical support to departmental operations and objectives. An employee who performs work critical to department success may be offered a counteroffer when presented with a job opportunity from another University department or external employer.

A department may offer an employee a retention offer to mitigate the risk of an employee seeking a job outside the University or department.

The salary offer associated with a counteroffer or retention offer should be based on the department's available budget, the employee's demonstrated performance, and the employee's relative qualifications. A counteroffer or retention offer will not result in an evaluation of equity or equity-based adjustments for other individuals. Employees who accept a counteroffer or retention offer will not be eligible for additional counter or retention offers for 24 months following the effective date of the salary increase. All requests must be approved by the appropriate Dean/Vice President and HR. A counteroffer or retention offer will not result in a grade change.

## 5. Pay Rate for Shift Work

A shift differential is an hourly pay rate, paid in addition to a nonexempt employee's base pay rate to employees who work at least half their hours on either a second or third shift based on Mountain Standard Time (MST). Employees are paid a second shift differential if at least half their hours are worked between 4:30 P.M. and midnight and a third shift differential if at least half their hours are worked between midnight and 8:00 A.M. Shift differential rates apply to the entire work period and not just the hours between 4:30 P.M. and 8:00 A.M. and will be paid at the highest applicable shift rate. Overtime is calculated at the employee's regular rate of pay (base pay plus shift differential). For additional information on overtime, refer to [UAP 3305 \("Overtime"\)](#). Shift differential rates are established by HR and are listed on its [website](#). Neither exempt employees nor on-call employees are paid a shift differential. Separate shift differential policies may apply to certain emergency and medical service positions.

## 6. Standby Pay

At times employees may be required to make themselves available to work on an as-needed basis outside of their normal work hours. Compensation for standby status will be determined by the degree to which an employee's free time is restricted. The specific factors considered to determine if standby status is compensated are:

- restrictions on the employee's location,
- expected response time to return to work,
- number of other employees available to be called, and
- frequency and urgency of calls received.

If employees have to leave a phone number or carry a pager but are free to leave the premises and attend to personal matters without restriction, they are not eligible for standby pay. Employees will be paid standby pay if while waiting to return to work they are so restricted that they cannot pursue personal activities. Standby pay rates will be determined by the Division of Human Resources. If employees are called back to work while on standby, they will be paid at their regular rate of pay for the hours actually worked or at time and a half for any overtime that is worked. Exempt employees are not eligible for standby pay, except for exempt employees in certain healthcare or critical operational areas who may be eligible if their department has a written agreement allowing for such payments. Standby Pay Agreements must be approved by HR.

## **7. Call Back Pay**

On occasion, departments may need to call back non-exempt employees to work on the same day after the end of their shifts. If the department has a policy in place to pay call back pay to non-exempt, non-union employees, the policy shall be applied consistently. In such instances, the department shall pay a call back amount to bring non-exempt, non-union employees back to work. Call back pay for employees with bargaining unit titles is governed by the applicable collective bargaining agreement.

Call back pay is an additional amount in excess of any overtime paid for working over forty (40) hours in a given week and shall be paid as straight time or overtime, as appropriate. Employees do not have to work over forty (40) hours to qualify for call back pay.

## **8. Extra Compensation**

In accordance with UAP 3300: Paid Time, exempt employees do not normally receive extra compensation for work conducted beyond the normal forty (40) hours per week. However, exempt employees may in limited circumstances

receive extra compensation from the University for work performed outside the employee's department (refer to UAP 2615: Non-Standard Payment Processing).

Non-exempt employees cannot receive extra compensation for work performed outside the employee's department and must be paid pursuant to Fair Labor Standards Act requirements, which normally means payment of overtime for hours worked beyond forty (40) in the workweek.

Extra compensation is not intended to compensate employees for cooperative work between University departments where staff provide support for each other on an ongoing basis. In all cases, the employee's primary assignment takes priority over the work performed for another unit.

## **8.1. Restrictions on the Authorized Use of Extra Compensation**

Extra compensation may be authorized, subject to all of the following restrictions.

- 8.1.1. To qualify for extra compensation, the additional work must be performed outside the employee's department, with the employee's work being reviewed by someone other than the employee's regular supervisor.
- 8.1.2. The additional work for which extra compensation is to be paid may not, in the opinion of the employee's supervisor and dean or director:
  - Create a time conflict with the performance of the employee's regular duties and assignments or
  - Constitute a "conflict of interest" involving the employee, such as a situation that competes with the interests of the employee's primary assignment or the department's interests.
- 8.1.3. It is the employee's responsibility to obtain approval from their regular supervisor prior to commencing any additional work for which extra compensation is to be paid.

## **8.2. Required Approval**

Advance written approval must be documented by the individual who will be supervising the additional work, the chair or director responsible for the department where the work will be performed, and the cognizant dean or vice president. All requests for extra compensation must be approved by HR prior to the commencement of such additional work.

## **9. Other Types of Compensation**



For other types of payments to employees, refer to [UAP 2615 \("Non-Standard Payment Processing"\)](#).

## 10. Salaries Funded by Contracts and Grants

Staff employees whose salaries are funded by contracts or grants are subject to all the provisions of this policy and proposed salary levels and annual increases must comply with this policy.

## 11. Pay Transparency Statement

Under a revised rule of the [Office of Federal Contract Compliance Programs, 41 CFR Part 60-1](#), the University is required to publish the following statement regarding pay transparency. For the purposes of this rule, the term “compensation” is intended in a broad sense to include, but not be limited to, salary, wages, overtime pay, shift differentials, bonuses, commissions, vacation and holiday pay, allowances, insurance, and other benefits, awards, and retirement.

### 11.1. Statement

The University will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor’s legal duty to furnish information.

## 12. Exceptions

Any exceptions to this policy must be approved in writing by the Assistant Vice President for Human Resources.

## 13. Related Links

[Staff Salary Structure](#) located on HR's website.

[UAP 3600: Eligibility for Employee, Retiree, and Dependent Benefit Plans](#)

UAP 3700: Education Benefits

[UAP 3710: Personnel Information Disclosure Policy](#)

UAP 3000: Guiding Principles

[UAP 3210: Recruitment and Hiring](#)

[UAP 3215: Performance Improvement](#)

[UAP 3305: Overtime](#)

[UAP 3300: Paid Time](#)

[UAP 2615: Non-Standard Payment Processing](#)