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Rev. 11/14

TOTAL COMPENSATION

POLICY STATEMENT

The University of St. Thomas values its employees as the most vital resource for advancing its mission and programs. Through the total compensation program, the University strives to accomplish two primary goals: to attract, retain, and motivate a highly talented, diverse workforce and encourage and reward workplace activities that support the University's mission and overall objectives. A competitive total compensation package includes an effective salary administration program and a comprehensive benefits plan. Within its fiscal resources and in compliance with applicable statutes, the University shall administer this policy in a consistent and equitable manner.

APPLICABILITY

This policy applies to regular full- and part-time staff with an appointment term of one year or longer. Excluded from this policy are faculty, adjunct faculty, archdiocesan priests, temporary, and employees covered by a collective bargaining agreement.

GENERAL PROVISION

Total compensation is the sum of an employee's salary and benefits. Therefore, a total compensation philosophy requires definition at two levels—both a compensation and benefits philosophy.

A. Compensation Philosophy

The University's compensation philosophy is to pay salaries designed to attract, retain, and motivate a high -caliber, diverse workforce, while linking employee compensation with the University's strategic goals and objectives. The University considers internal equity and external market pressures when designing pay practices. Employee pay generally reflects the level of contribution to the University, recognizes quality performance, and encourages growth and development. Jobs of like responsibility and labor market conditions are paid within comparable pay bands and salary ranges based on an evaluation of each job and relevant market data. Individuals with comparable backgrounds are hired at comparable rates for the same or a similar job classification. An annual salary increase program is designed each year to support the overall philosophy. Performance evaluations are a driving component of the University's compensation program.

B. Benefits Philosophy

It is the philosophy of the University of St. Thomas to provide a competitive employee benefits program designed to attract and retain high caliber diverse workforce while helping employees address their changing needs. The University does so based on the premise that a healthy and secure faculty and staff are best able to contribute both to their own personal success, as well as that of the University. In order to accomplish these objectives, the University strives to provide a benefits program that is administered consistently and reflects the belief that the institution and its employees share responsibility for working together as partners to provide the best and most cost effective programs available.

SECTION I PROGRAM DEFINITIONS

1.1 Classification Program

The classification program describes the various types of work performed within the University. It provides a structure or framework for understanding how jobs relate to one another and the organizational purpose for all jobs. The Human Resources Department staff evaluates internal equity using the classification program.

1.2 Internal Equity

Internal equity is the relative worth of each job when comparing job duties, responsibilities, accountability, formal training, and experience of one job to another and arranging all University jobs in a formal grading structure with broadband salary ranges. The Human Resources Department utilizes professionally accepted job analysis and evaluation practices and current salary data for the majority of University jobs.

1.3 External Equity

External equity is the relative worth of comparable jobs in relevant labor markets factored for general economic variances and adjusted to reflect the local economic marketplace. The Human Resources Department utilizes professionally accepted analysis practices and recognized published survey sources, such as local and national salary data, including those from similar educational institutions.

SECTION II EMPLOYMENT ACTIONS

2.1 Promotion

A promotion is an employment action resulting from an employee competing for and receiving appointment to a job at a higher market rate. A salary increase generally accompanies a promotion. The promotion increase must not cause the pay of an employee to exceed the maximum rate of the assigned pay band.

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2.2 Demotion

A demotion occurs when an employee’s job assignment is permanently changed to a job at a lower market rate. When this occurs and depending on several factors, the employee’s rate of pay may change. Only in rare circumstances should an employee’s rate of pay exceed the maximum pay rate of the pay band for his or her job.

2.3 Reclassification

A reclassification occurs when the Human Resources Department determines through job analysis that the duties and responsibilities of a job have changed significantly from the documented parameters of the employee’s current job profile. The resulting change can be upward or downward depending upon whether the job had an increase or decrease in its level of duties and responsibilities. Generally, a reclassification may be treated as a promotion. In instances where a reclassification results in the assignment of a job to a lower market rate, this action is treated as a demotion. A reclassification is not the appropriate remedy for recognizing employees who have acquired additional academic or professional credentials, or whose background, skills, and work experience qualify them for a higher level position.

2.4 Transfer

A transfer occurs when an employee’s job assignment changes to a different job within the same market rate. There is no change in pay rate as a result of a transfer.

2.5 Title Change

A title change occurs when the Human Resources Department determines that a different title is more descriptive of the nature of work being performed by an employee. This action does not result in a change in market rate or pay band, and the employee’s pay rate remains the same.

2.6 Market Adjustment

A market adjustment occurs when the Human Resources Department determines that a job is either under- or over-priced in relation to comparable jobs in the relevant labor market. If this occurs, the pay band of the job and the pay rate of an employee may need to be adjusted. An employee’s new pay rate shall not exceed the new pay band maximum rate. Neither should an employee’s new pay rate be lower than the minimum rate of the new pay band. Market adjustments are not granted to reward performance.

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2.7 Equity Adjustment

An equity adjustment is used to address salary inequities arising from external pressure in high demand fields, internal salary compression, or concerns regarding the retention of certain employees. These types of pay increases are not granted to reward performance.

SECTION III EMPLOYMENT COMPENSATION

3.1 Pay Bands and Ranges

The University has established a pay structure based upon pay bands with corresponding pay ranges. Pay bands represent the different levels of work performed at the University. Each pay band has a corresponding salary range that is identified by a minimum and maximum pay rate. Salary ranges are adjusted annually in order to remain competitive and near the median of the salaries paid by other employers in relevant comparison groups or labor markets. The University determines its comparison groups, or designated labor markets, based on the geographical areas from which new employees are recruited. Survey data that best reflect those labor markets are used to set and review the salary range structure annually.

3.2 Salary Increases

Annual salary increases are performance-based and link employee pay to performance. Therefore, employee pay is differentiated based on performance. The aim of this strategy is to encourage higher levels of performance and productivity and ultimately institutional effectiveness. Based on market analyses, employees within a particular job or job group may require a salary adjustment. The appropriate Academic and Administrative Advisory Committee member, in consultation with the designated Human Resources Department representative, approves all such salary increases. All salary increases are contingent on the availability of funding.

3.3 Acting or interim Pay

A temporary salary differential or a one-time, lump-sum payment may be appropriate when an employee temporarily fills a position at a higher job level and in a higher market rate for a consecutive period of two or more months. The general guidelines for compensating an employee serving in an interim or acting capacity is determined by temporarily adjusting the employee’s salary from 5 percent of his or her base pay or an elevation in pay to at least the minimum of the hiring rate of the temporary, interim position, whichever is greater. The interim assignment should not exceed six months. If it becomes necessary to extend the appointment beyond this period, a written request with a brief explanation signed by the appropriate Academic and Administrative Advisory Committee member, as well as the appropriate Executive Vice President, is submitted to the Department of Human Resources. Once the interim appointment ends, the appointing manager notifies the designated Human Resources Partner in writing to terminate the interim or acting appointment and revert the employee to his or her former pay rate and job classification.

3.4 Shift Differential

Employees may be assigned to a job that requires shift work and for which the employee may be eligible for shift differential pay in addition to their regular base salary. Managers who have these types of work schedule requirements must work with a Human Resources Department representative to determine the appropriateness of shift differential pay and the appropriate hourly amount.

3.5 Setting Hiring Rates for New or Reclassified Employees

The pay rate for a new employee is set at an amount between the minimum hiring rate and market rate for the classification. In determining the starting rate of pay, consideration is given to the new employee's education and experience, as well as the pay rates of other employees within the hiring unit who perform similar jobs and with similar education and experience. The beginning salary is set jointly by the hiring supervisor and the designated Human Resources Department representative, with the approval of the appropriate Academic and Administrative Advisory Committee member.

SECTION IV CLASSIFICATION SYSTEM

4.1 Job Descriptions/Profiles

The Human Resources Department maintains job profiles for all jobs at the University. Job profiles distinguish jobs from others that may be in the same occupation or at the same pay grade. They also assist in determining the appropriate rates of pay based upon the level and nature of the job.

Job profiles are used in other ways, such as for recruiting and selecting staff, defining career growth opportunities, developing performance expectations or standards, and compliance with various laws and statutes.

4.2 Job Evaluation and Analysis

The Human Resources Department conducts job evaluations and analyses. Positions are classified by comparing a specific job profile, job matrix, or the job profile of a similar position in the University. Job profiles should include the job title, name of the academic or administrative unit, a statement of the broad scope and function of the position, and the position's reporting relationships. Statements about required qualifications (which must be based directly on the specific duties and responsibilities of the position) are also included. The Human Resources Department classifies all administrative, non-faculty positions in consultation with the appropriate Academic and Administrative Advisory Committee member.

SECTION V FAIR LABOR STANDARDS ACT (FLSA)

The Fair Labor Standards Act regulates minimum wage and overtime pay standards. It requires employers to pay hourly, non -exempt employees the minimum wage rate plus overtime of one and one-half times their regular hourly pay rate for all hours worked over 40 hours in a standard work week. The work week for the University is Sunday through Saturday. Exempt employees are paid on a salary basis and do not receive overtime pay.

5.1 Overtime Pay

Only jobs classified by the University as hourly are eligible for overtime pay. Overtime must be pre-approved by the employee's supervisor. Eligible employees are compensated for overtime in accordance with applicable federal and state laws and collective bargaining agreements. Hourly employees may never waive their right to overtime pay. An employee who works overtime hours without prior approval from his or her supervisor may be subject to disciplinary action. Supervisors may not, on the other hand, require employees to work overtime but later refuse to compensate them accordingly.

5.2 Flexible Scheduling

A supervisor/manager may adjust the work schedule for an employee so that an employee does not exceed forty (40) worked hours in a work week.

5.3 Change in FLSA Status

Exemption from the Fair Labor Standards Act is determined by an employee's salary level and the nature of the work performed. A change from one exemption status to the other has implications for employees.

Employee Moving from Hourly to Salaried

- The employee's rate of pay will be converted from hourly to an annual rate of pay.
- Unused Personal Leave Time (PLT) will be converted to the vacation allotment for salaried employees up to the maximum of 20 or 25 days annually depending on years of university service.

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Employee Moving from Salaried to Hourly

- The employee's rate of pay will be converted from an annual to an hourly rate of pay.
- All earned but unused vacation will be converted to Personal Leave Time (PLT) up to the maximum of 160 hours.
- Hourly employees must maintain time records for hours worked and absences.

5.4 Transition Allowance

A transition allowance is used in situations where the employee's salary is affected by a change in exemption status. The most notable effect of this change occurs when exempt employees transition to a non-exempt position. The reason is that hourly (non -exempt) employees are paid on a two-week delayed payroll cycle, whereas salaried (exempt) employees are paid up to date. Exempt employees whose exemption status change to non-exempt (hourly) will not receive a paycheck at the end of the first payroll period following the change in their exemption status. In these instances, employees may request a payroll advance or a short -term loan from the University.

Payroll advances are repayable through wage assignment by the end of the fiscal year in which they occur, while short-term loans are repayable by the end of the then current calendar or tax year. Employees must sign a promissory note in both instances.

SECTION VI STAFF MISCELLANEOUS PAY

Miscellaneous pay, which is another form of compensation, is used to compensate employees, for duties performed beyond their regular job responsibilities. Miscellaneous pay is not the appropriate mechanism for recognizing employees for performing their regular job duties. Neither should it be used to supplement the annual salary increases of staff or to grant performance bonuses.

6.1

Requests for miscellaneous pay are submitted in accordance with the instructions listed on the Staff Miscellaneous Payroll Authorization Form. Requests are reviewed for appropriateness by the Department of Human Resources and may be returned to the requesting academic or administrative unit for modification or relevant supporting documentation.

6.2

Salaried employees must not receive miscellaneous payment that is based upon hours worked, piece -rates, or any other form of measurement of work quantity. Conversely, hourly employees must not be paid using miscellaneous pay for hours worked. All hours worked by hourly employees must be submitted on their timesheet for the applicable payroll period. In accordance with the Fair Labor Standards Act, lump sum miscellaneous payments may factor into the overtime rate for hourly employees.

6.3

Hourly employees who receive a miscellaneous payment for work performed outside their primary academic or administrative unit receive overtime pay at a rate of one and one-half times their regular hourly pay rate for work hours in excess of 40 in a given work week. This overtime payment is based on the difference between the total number of hours worked while performing their primary assignment or job function and the hours worked that triggered the miscellaneous payment.

SECTION VII ACCOUNTABILITY AND RESPONSIBILITY

7.1

The Human Resources Departments determines appropriate annual salary range adjustments based on relevant labor market data and other relevant factors.

7.2

The Chief Human Resources Officer is responsible for designing and administering the compensation and benefits program and assuring consistent and uniform application of this policy.

7.3

Academic and Administrative Advisory Committee members are responsible for consistent application of the policy as it relates to staff actions initiated and/or requested by employees within their academic or administrative units. The Academic and Administrative Advisory Committee, in consultation with the designated Human Resources Partner, also assure that current and accurate job profiles are maintained for all employees within their units, and that reclassification actions are initiated when appropriate.

7.4

Supervisors and managers are responsible for being aware of the goals of the program and for administering the policy consistently and in a timely and equitable manner.