



UNIVERSITY of ROCHESTER

WAGE AND SALARY PROGRAM

UNIVERSITY OF ROCHESTER COMPENSATION PHILOSOPHY

The University of Rochester is a community where all can pursue and achieve their highest objectives for themselves, their community, and the world. Faculty and staff should have the tools to achieve success and be rewarded for hard work. Compensation is just one tool used to **Develop**, **Attract**, **Retain** and **Engage** quality employees. The Office of Human Resources' Wage and Salary Program supports managers and employees through the employee lifecycle including job offer, performance evaluations, service milestones and job changes. Its components allow several factors to be taken into consideration for an employee's pay, such as individual performance, internal equity, pay relationship to the external market, and the value of our benefits programs.

COMPONENTS OF THE WAGE AND SALARY PROGRAM

Annual Merit Increase

The University administers a performance-based annual merit increase as an opportunity for supervisors to provide employees with an increase in pay based on their performance in the prior year. The University Wage & Salary Program allows for performance-based increases, it is NOT considered a cost of living increase.

The effectiveness of a performance-based increase relies on the supervisor assessing and evaluating performance and the achievement of objective and measurable goals over the past year. While it may be easier to provide the same percent increase to all staff, an effective pay-for-performance program challenges supervisors to identify and recognize the "leading" performers; those who are key contributors in the department and exhibit the skill and ability to perform work at the next level even if the variations are slight. All employees should receive a performance evaluation at least annually. Please find the Performance Management Guide and other helpful materials and tools at <http://www.rochester.edu/working/hr/performancegmt/>.

Job Changes

Changes to compensation can be initiated when an employee receives a salary offer, promotion, demotion, or lateral transfer. See definitions and more information for these categories below.

Salary Offers & Internal Equity

Salary offers for new/rehires, promotions, demotions and lateral transfers may be made according to the assigned grade on the wage schedule and should be based on a number of factors, as applicable: the employee's education, relevant experience, competencies, and special skills brought to the job. Additionally, salary offers must be carefully weighed against the salaries of incumbent staff in similar jobs to consider internal pay equity. Hiring Managers cannot ask for a candidate's current rate of pay/salary, but can ask a candidate their pay/salary expectations. Also, see salary offer process document (attached) for further clarification on the process for hiring managers on salary offer determination.



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Promotion

A promotion is defined as movement to a new classification in a higher grade. Once the top candidate is identified, the hiring manager sends the resume and request to offer form to their HR Business Partner for review and salary offer recommendation, unless the position title only exists within the hiring department (also known as a discrete classification). The 'request to offer' form will be returned to hiring manager with recommended rate and approval for routing to Finance and the HR Service Center.

Demotion

A demotion is defined as movement to a new classification in a lower grade. As with promotions, once the top candidate is identified, the hiring manager sends the resume and request to offer form to their HR Business Partner for review and salary offer recommendation, unless the position title only exists within the department (also known as a discrete classification). The 'request to offer' form will be returned to hiring manager with recommended rate and approval for routing to Finance and the HR Service Center.

Lateral Transfer

A lateral transfer is defined as movement to a new classification in the same pay grade or to a new department without a change in classification.

- *Lateral transfers within same grade but different classification:* Once the top candidate is identified, the hiring manager sends the resume and request to offer form to their HR Business Partner for review and salary offer recommendation, unless the position title only exists within the department (also known as a discrete classification).
- *Lateral transfers within same classification:* Lateral within the same classification generally would not result in change in pay. However, they will need to be reviewed by an HR Business Partner, unless the position title only exists within the department (also known as a discrete classification). In either case, the 'request to offer' form will be returned to hiring manager by the HR Business Partner with a recommended rate and/or approval for routing to Finance and the HR Service Center.

Note: this assumes the availability of funds and approval by the appropriate Dean, Director, or Vice President.

Milestone in Job Classification

Changes in compensation can be initiated for employees who are below the grade minimum on the current wage schedule, to make a range placement adjustment, for the end of probationary or introductory period or to make an adjustment within the hiring range. See definitions and more information for these categories below.

Below Grade Minimum

Employees are to be hired at no less than the minimum of their assigned pay range. Recently hired, transferred or promoted employees who were hired under the previous pay grade ranges may fall below the minimum of the new ranges. If that's the case, the employee's wage must be brought up to the new minimum of their grade.



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Range Placement Adjustment

Are a method for increasing an employee's salary within their pay range and uses the midpoint to help ensure employees with sustained satisfactory performance experience reasonable progression through the pay range. For **Hourly-paid staff in non-exempt classifications**, it is recommended that the midpoint be achieved after 3-5 years in classification. For **Professional/Administrative/Supervisory (PAS)** staff, it is recommended that the midpoint be achieved after 5-7 years in classification. To achieve this, an adjustment may be granted once in the program year in addition to the annual merit increase for staff who fall below the midpoint of their pay range.

End of Probationary or Introductory Period Adjustment:

Hourly-paid and PAS staff whose starting salaries are within the Hiring Range may be considered for an adjustment at the end of the probationary or introductory period, not to exceed the top of the hiring range. These adjustments help employees reach the top of the hiring range, provided the employee is satisfactorily performing the role.

Staff paid at or above the top of the hiring range are not eligible for adjustments at the end of probationary or introductory period; these employees may be eligible for an annual merit increase.

Hiring Range Adjustment

Salaries that remain within the hiring range after a merit increase are given consideration for an adjustment six months after a merit increase, not to exceed the top of the hiring range. These adjustments help employees reach the top of the Hiring Range, provided the employee is satisfactorily performing the role.

Staff paid at or above the top of the hiring range are not eligible for hiring rate adjustments.

Market/Equity Adjustments

These types of adjustments require applicable senior leadership endorsement, finance support, and Human Resources review prior to a recommendation being processed via a Personnel Action Form (PAF). If you have particular concern that you feel needs special attention, or you are considering market and/or equity reviews, please contact your Human Resources Business Partner for assistance (provided you have leadership and finance approval). Human Resources can provide compensation-related data such as market relationships, trends, or data sets to assist in analyzing staff range penetration.

Increases due to the New York State Minimum Wage, the Living Wage, and University Wage Schedules

New York State Minimum Wage

The University of Rochester is committed to compliance with all New York State laws. Employees will receive adjustments so that they are paid at least the minimum wage as set by the government. Employees who receive minimum wage adjustments are still eligible for consideration for any performance-based and/or additional components of the Wage and Salary Program.



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Living Wage

The University is committed to pay parity with the City of Rochester's Living Wage. All active, full-time and part-time, non-bargaining unit employees are to be paid at least the equivalent of the City of Rochester's Living Wage. Employees who receive minimum wage adjustments are still eligible for consideration for any performance-based and/or additional components of the Wage and Salary Program.

University Wage Schedules

Each year, the University adjusts the wage ranges in accordance with New York State Minimum Wage and any employees not paid at the minimum of their assigned pay range will be automatically increased to ensure regulatory compliance.

For employees whose rates will be increased, it is strongly suggested that the supervisor plan accordingly to consider these upcoming increases and be sensitive to incumbents' pay equity or compression issues.

SIGNIFICANT RELATED FEDERAL AND STATE REGULATIONS

Regulations Related to Salary History

In accordance with New York law, applicants cannot be required or asked to disclose their salary history. The University does not consider an applicant's current or past salary in determining whether to interview, hire, or promote a candidate and does not rely on the wage or salary history of an applicant in determining that person's wages or salary if hired. This applies to both internal and external job applicants.

Fair Labor Standards Act (FLSA) / New York State Compliance

Inherent in the Wage & Salary Program is the obligation to ensure compliance with a variety of federal and state labor laws. The University is committed to providing ongoing education, evaluative services, and audits to ensure compliance with time and labor reporting requirements. In addition, the development and validation of functional descriptions should be occurring in order to assess the appropriateness of classification assignment relative to hourly and salaried designation consistent with criterion specified in labor laws. Individuals with supervisory responsibility are encouraged to attend and participate in compliance training programs and support ongoing audits to ensure compliance.

Compensation Guidelines and University Policies

Where there is conflict between these guidelines and University policies, the information in these guidelines supersedes University policies. In addition, individual operating units may require additional approvals on processes noted above.

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