

# Staff Personnel Manual (SPP)

## SPP 403–08: Salary Administration

Effective: 7/1/1984

Revised: 8/1/2021

### Purpose

To define the types of salary offers and adjustments administered in connection with hiring, position changes, performance, retention, and university sponsored salary programs

### Source

*Arizona Board of Regents Policy Manual - 6-901*

### Applicability

All regular [classified employees](#), [university staff](#), and [non-faculty administrators](#)

### Policy

The university provides and maintains a [salary administration adjustment](#) process for determining individual salaries.

All salary adjustments will be communicated to affected employees in writing, identifying the employee's present salary, salary adjustment amount, new salary, and effective date of the adjustment. This notification will be under the signature or electronic approval of the employee's supervisor or higher authority. Departments should also maintain a copy for their records.

## Salary Offer Principles

Salary offer principles are as follows:

- Salary offers to the selected candidate should be consistent with the [market zone](#) as advertised in the recruitment notice.
- If no market zone is posted in the recruitment notice, the offer should be consistent with the assigned market zone of the job classification.
- The hiring department should take into consideration the candidate's prior relevant experience when determining a salary to offer consistent with the following guidelines as well as salaries of other departmental staff in the same position/job:
  - **Learning:** lower end of targeted market zone; for new hires who just meet the stated qualifications/experience for the position
  - **Competent:** between lower end and [Market Reference Point \(MRP\)](#) of targeted market zone; for staff able to perform most job requirements or new hires who have directly relevant prior experience, but require procedural and departmental training
  - **Advanced:** generally salary around MRP of targeted market zone; for staff fully knowledgeable of all aspects, procedures, and departmental requirements

- **Expert:** between MRP and higher end of targeted market zone; for staff who have depth and breadth of experience, have consistently demonstrated ability to execute and are accountable for outcomes, routinely handle complex situations involving interpretation of policies, practices, and procedures, and have demonstrated behaviors that would lead to career move
- **Exemplar:** higher end of targeted market zone; for staff who have mastered all aspects of their position and demonstrate behaviors that are determined to be models for others (e.g., mentor)
- Consistent with a compensation philosophy that recognizes the outstanding performance of exemplary staff, a department may request an additional skill/competency adjustment to recognize a candidate who exceeds expectations after six months in the new position, depending on availability of funding.

## **Types of Salary Adjustments**

### **Performance-based Increases**

Performance-based increases may be provided when appropriated by the university and authorized by the university.

Performance-based increases usually occur at the start of a fiscal year or as otherwise determined by the university president.

Performance-based increases for regular classified employees, university staff, and non-faculty administrators should not exceed the top end of the assigned market zone. A vice president's or dean's support for an increase to exceed the maximum of the zone must be included when requesting final approval. The increase would not be added to the base pay, but administered separately by submitting an additional pay request distributed over a year's timeframe.

Performance-based increases are based on the performance period specified by the university. An employee who fails to meet performance expectations is not eligible for a performance-based increase. Recognition of an employee's performance contribution through an increase should be aligned with the guidelines developed by the university at that time to ensure that the strongest performing employees receive an increase appropriate to their contribution over the evaluation period.

### **Equity Adjustments**

An internal equity adjustment is a salary increase that is intended to correct a pay disparity within a job classification. Factors that may be considered in determining equitable pay relationships are employee credentials and experience, salary history at the university, and documented employee work performance. Colleges, departments, and work units are responsible for establishing and maintaining equitable pay relationships within their work units. When a pay inequity problem is discovered, an internal equity adjustment may be recommended. Administrators/direct supervisors should work directly with the Office of Human Resources (OHR) to determine an appropriate internal equity adjustment when a pay disparity exists.

Recommendations from OHR must be approved by leaders prior to implementation.

### **Market Adjustments**

A [market adjustment](#) may be initiated as the result of a compensation study. Market adjustments occur when the assigned Market Reference Point (MRP) of the job classification is adjusted and the affected incumbent's current salary falls below the lower end of the new MRP. If additional correction is warranted based on an assessment of the employee's salary compared to the job's market zone, taking into consideration performance and experience, administrative officials and OHR should work together in partnership to determine appropriate in-zone adjustments.

Market adjustments or job reclassifications resulting in upward zone or category movement with associated financial impacts must be reviewed and finalized by OHR. Once finalized, the recommendations from OHR must then be approved by leaders prior to implementation.

## **Retention**

Retention adjustments may be determined appropriate to retain critical, key talent and/or highly recruited staff. Individual retention adjustments may vary based on the circumstances. Requests for a retention adjustment should provide supporting documentation when presented to the vice president or dean for review and support with final approval reserved to the provost of the university, the executive vice president, treasurer, and chief financial officer (CFO), or designees.

## **Definitions of Job-Based Salary Actions**

Salary administration terms, as they relate to this policy, are as follows:

### **Promotion**

A change in current job resulting from a movement into a higher category that represents a major change in role and responsibility and includes an increase in pay.

### **In-category Promotion**

An in-category promotion occurs when an incumbent has consistently demonstrated skills, abilities, and competencies associated with a more complex job that can be within or outside the current job family, but within the same category, with a higher MRP, and includes an increase in pay.

### **Lateral Transfer**

A lateral transfer results when an employee moves to a different department, unit, or college in the same job title, same MRP, and category. There is no change in pay as the overall scope of the position has not changed.

### **Reassignment (Career Change)**

An employee moves into a different job title with a lower MRP or category for re-careering or organizational purposes. There may be a review of salary, which may result in a change in pay. In situations involving an involuntary move with a reduction in pay for a classified staff employee, due process steps will be followed. If an employee, during a competitive recruitment, is selected as the preferred candidate and that change results in a position with a lower Market Reference Point (MRP), the candidate's salary offer is consistent with the recruitment notification of the market zone.

## **Additional Information**

For information on salary administration references and guidelines, please see "[Leader's Guide: Staff Compensation and Salary Administration](#)."