



Eastern Kentucky University

Pay Administration Procedures Guide

This document contains standard operating procedures for pay administration at Eastern Kentucky University. This document is also included as a section in other standard operating procedure documents used internally.

Created By: Jennifer Strauel
Updated: March 20, 2015

Table of Contents

Compensation Philosophy	3
Compensation Recommendation General Guidelines	3
Overall Pay Recommendation Guidelines	3
Positions that start at a set rate:	4
Determining credit for work experience & education	5
Education Equivalencies	5
Work Experience	6
Bi-lingual pay	6
Promotions	7
Lateral Moves	7
Demotions	7
Exceptions.....	8
Interim/Acting Assignments	8
Temporary Workers.....	9
Model Academic Staff	9
FTE – full time equivalent calculation & pay determination	9
Position Classification	10
Definitions	10
General Information	10
Position Evaluation Procedure (Job Pricing).....	11

Compensation Philosophy

Eastern Kentucky University's compensation program is administered, to the extent possible, to help attract top talent, retain core employees, and encourage longevity while efficiently using available resources. The University intends to attract and retain qualified employees by maintaining a compensation system that is both externally competitive and internally consistent.

The University uses a salary structure composed of 26 job grades and establishes a salary range for each regular staff (non-faculty) position within the salary structure. Each salary range has a pay minimum, midpoint, and maximum that is intended to balance external competitiveness to the University's relevant market and internally equity to similar positions. Salary grades 30-42 are 50% wide (between the minimum and the maximum salary for each range) whereas salary grades 43-55 are 67% wide, which represents an industry best practice for setting salary structures. Each position is classified into a job grade based on factors such as: essential job responsibilities, education and experience job requirements, market data from relevant salary surveys, consideration of internal equity, and other compensable factors. Positions at the Vice President level or higher are not included in this salary structure but have salary ranges created individually based solely on market data for comparable positions in EKU's relevant labor market.

Individual salary ranges are found in the Job Class Table maintained by Human Resources. Salary ranges for each job grade are available on-line at <http://www.hr.eku.edu/compensation/> and are also maintained by Human Resources.

Compensation Recommendation General Guidelines

Compensation evaluation methods described in the document are used to determine recommended levels of pay for all non-faculty positions with the University. These guidelines apply to new hires, promotions, demotions, and reclassifications. All exempt salaries are based on a standard work year of 1950 hours.

Overall Pay Recommendation Guidelines

- Initial salary recommendation may exceed the range midpoint for the position for external hires and internal promotions (this is a new practice as of 5/1/2014: past practice was to limit all starting salaries to the applicable salary range midpoint).
- Pay is recommended at 2.5% above the range minimum for every year of education or related work experience the candidate has over what is required for the position based upon the job description.
- Employees returning to EKU after a short absence (typically 6 months or less) typically return at their prior pay rate if returning to a position in the same salary grade.
- Returning EKU retirees are limited to pay at the salary range midpoint for the position they are returning into, and may only return to work at EKU in an intermittent capacity for no more than 15 hours per week (or 100 hours per month) and no more than 9 months per year.
 - Retirees are also responsible for checking with their respective retirement system (KERS or KTRS) to determine any restrictions on their employment and/or earnings.
- Returning Voluntary Buyout Program (VBP) participants may only be employed by EKU (or any EKU affiliate) in an intermittent capacity for no more than 15 hours per week and no more than 9 months per year. These individuals will all hold position VBPINT and will be paid on a non-exempt/hourly basis.
 - If returning to the same job title/classification held prior to the VBP, the individual will be paid at a rate equivalent of their prior hourly equivalent wage.

- If returning in a different capacity/classification, the individual will be evaluated for an hourly pay rate according to ECU standard new hire compensation procedures.

Positions that start at a set rate:

The following positions have a set starting pay rate, regardless of the candidate's experience or education levels when hired into the position. Candidates for these positions are NOT evaluated using the standard methods described in this document, but instead start at the listed rate.

- **Step in Grade positions:** Many of our entry-level Facilities Services Positions are included in the University's Step-in-Grade Program, which has 5 salary grades (SG1-SG5).
 - These positions include:
 - Custodian (SG1, starting at \$8.26/hour)
 - Relocation Specialist (SG2, starting at \$9.00/hour)
 - Groundskeeper, Motor Vehicle Operator, Repair Technician, and Maintenance Mechanic (SG3, starting at \$9.50/hour)
 - Head Custodian (SG4, starting at \$9.75/hour)
 - Power Plant Equipment Operator, and Lead Relocation Specialist (SG5, starting at \$11.00/hour)
 - All candidates hired into these positions will start at the Range Minimum, with no salary recommendation form needed after verification that candidate meets the minimum job requirements.
- ECU Outreach/Education Extension Agent -- \$20,000/year for part-time work, non-benefited. Full-time positions are evaluated using regular ECU procedures.
- Night Desk Receptionist - \$8.00/hour
- Residence Hall Coordinator - \$30,000/year if candidate has Bachelor's degree; \$33,000/year if candidate has Master's degree
- Gear Up Counselor = \$7.25/hour
- MLS Library School Associate (Noel Studio UK Library School Associate) = \$15.00/hour (STUMLS)
- Family Mentor = \$12.30/hour
- Foster Parent Team Member = \$10.00/hour
- Flight Instructor = determined based on number of FAA licenses held \$20-30/session (non-benefited)
- Part-time Interpreters - \$40.00/hour for daytime work and \$45.00/hour for evening/weekend work
- State Traffic School Instructor = \$150/class
- Corrections Education Instructor I = \$79.18/ 3 hour session
- Corrections Education Instructor II = \$86.40/ 3 hour session
- Motorcycle Rider Coach/Facilitator = \$15.00 - \$15.50/hour depending on course
- DOC Prison Jail Auditor = \$1389/ 3 days (exempt position)
- Personal Trainer = \$18.00/session
- Massage Therapist = \$35/session
- Substitute Teachers – rate determined by hiring official based on Madison County School District rates
- Model Teacher Aides – rate determined by hiring official based on Madison County School District rates
- Police Officer – all start at training rate of \$14.00/hour, after training moved to \$15.51/hour
- Model Coaches/Assistant Coaches based on salary scale submitted by Model
- Medical Director, EMS Program - \$5,000 per semester for a total of \$15,000/year
- Clinical Preceptors, EMS Program - \$3,168 per semester per course

Determining credit for work experience & education

- When crediting experience, Related and Directly Related (Same Duties) are those prior job experiences which provide the necessary knowledge, skills, and abilities (KSAs) as the position they are applying for. Verify on job description and/or job posting what type of work experience should be credited when calculating salary recommendation.
- Work experience is credited in whole years only, rounding down to reflect fully completed years of related work experience.
- Part-time work experience is credited on a pro-rated basis, based upon the percentage of a full-time schedule worked while in the position (divide the average hours worked by 37.5 to get the prorated FTE)
- Volunteer (un-paid) experience is NOT counted to determine pay (or provide any range penetration) but can be used for an applicant to meet the minimum qualifications for a position with prior approval from the Director of Human Resources.
- Relevant non-exempt work experience is normally credited at 50% when evaluating a candidate for an exempt position, unless the non-exempt work is directly related to the work to be performed in the exempt position (for example work within the same function in an office/department like moving from a non-exempt HR Specialist position to an exempt HR Consultant position).
- For exempt level positions, prior related non-exempt work is credited at 50% for full-time work and 25% for part-time work.
- Graduate Assistant work is counted at 50% (since it is part-time exempt work) and Student employment is counted at 25% towards exempt positions and 50% towards non-exempt positions (since it is part-time non-exempt work).
- 1 year of credit can be awarded for each significant and nationally recognized professional certification or license that is not required but is directly related to and will be used in the performance of the position.
- Residency counts as work experience for physicians with an M.D. but not usually for those with a D.O.
- For Family Nurse Practitioners, experience credit is given for time as a practicing FNP only.
- A 10% premium can be paid for bi-lingual candidates IF the fluency is not required for the position but will be used during employment.

Education Equivalencies

Each year of college = 30 hours of earned credit = 1 year, up to 3 years total

Associate's degree = 2 years over High School Diploma or GED

Bachelor's degree = 4 years over High School Diploma or GED (2 years over an Associate's degree)

Master's degree = 2 years over a Bachelor's Degree

Juris Doctorate degree (JD) = 3 years over a Bachelor's Degree

PhD/EdD = 5 years over a Bachelor's Degree or 3 years over a Master's Degree

Work Experience

Directly Related Experience

Work experience that matches exactly the major skills and/or responsibilities specified in the job description. This experience is usually gained by performing a similar role to the one the candidate is currently applying for. This type of experience will always be counted towards salary range penetration and may be substituted for education if the position allows for equivalencies.

Related Experience

Experience that closely matches or may provide job skills needed to perform the duties given in the job description. This type of experience will be counted when determining the number of years' experience a candidate has for a position and may be substituted for education if the position allows for equivalencies.

General Experience

Any type of work experience, regardless of its relevance to the position the candidate is currently applying to do. This type of work experience will only be given credit for salary range penetration if the job description does not specifically require "related" experience or detail the specific type of experience required.

Volunteer or Unpaid Work Experience

Unpaid work of any nature is not given credit toward salary evaluation when applying for a position. However, this type of work experience may be used to assist a candidate in meeting the minimum qualifications for a position if it is directly related to the position for which s/he is applying. When related volunteer/unpaid experience is credited, the salary recommendation would be for the range minimum.

Bi-lingual pay

Special skills adjustments – 10% bi-lingual premium added when it is not a requirement of the position

- If a position requires the incumbent to be bi-lingual and the market comparison does NOT, we should adjust the pay range by 10%.
- If a position prefers, but does NOT require the incumbent to be bi-lingual and the market does not require bi-lingual, the range would NOT change but an applicant would receive a 10% pay increase/premium (on top of their regular eligibility) for having the additional skill.

Promotions

A promotion occurs when an employee moves into a position in a higher job grade than the position s/he currently holds at ECU. This move can happen due to the employee voluntarily applying for another position, through reorganization, or by reclassification. Typically, promotions will result in a pay increase; the exact amount determined using the following guidelines:

- Human Resources will compute salary calculations for the selected candidate as if s/he was a new hire to the University, using the standard procedure for education & relevant work experience credits
- In no situation would a promotion result in a reduction in pay
- In some situations, internal equity with incumbents currently holding positions in the same job title/classification to which the employee is being promoted may limit the pay increase of the individual being promoted

Lateral Moves

A lateral transfer occurs when an employee moves to another position within the same job grade/classification as the position s/he current holds. This move can happen due to the employee voluntarily applying for another position, through reorganization, or by reclassification. Lateral moves have no impact on pay for the employee and are subject to the following guidelines:

- The standard lateral move practice is for candidates to retain their existing rate of pay when moving to the new position within the same classification/job grade as his/her existing position.
- Lateral moves have no impact on the salary/pay rate of an employee, and we do not re-evaluate candidates based on experience & education when they are moving laterally within the same salary grade, unless a prior error or omission had occurred. Employees will retain their existing rate of pay when making a lateral move.
- Exceptions have not been granted to this practice in the past.

Demotions

A demotion occurs when an employee moves into a position in a lower job grade than the position s/he current holds. This move can happen due to the employee voluntarily applying for another position, through reorganization, or by reclassification. Demotions will result in a pay decrease; the exact amount determined using the following guidelines:

- The standard demotion practice is run salary calculation as if the employee is a new hire (using experience and education credits)
- Voluntary and involuntary demotions are treated in the same manner.
- Exceptions have been granted to this procedure in the past with Director of HR and VP of Finance & Administration approval

Exceptions

From time-to-time, a hiring official will request to deviate from the salary recommendation submitted by HR. Effective May 1, 2014, the University implemented a new procedure for reviewing salary exception requests, which includes the following steps:

- HR completes a salary recommendation following all applicable guidelines and sends it to the hiring official for consideration
- The hiring official will complete the “Hiring Official Recommendation” section of the Salary Recommendation form, indicating the desired salary and justification for the salary differential
- The hiring official will forward the Salary Recommendation form to their assigned Vice President for consideration
- The Vice President will contact their assigned HR Consultant to discuss the exception request
 - HR will analyze the impact of the proposed exception and provide applicable information to the Vice President for consideration.
 - For multi-incumbent positions, this includes salary and qualification information on all individuals holding that job title
 - If agreement can be reached, the hiring process will continue as normal
 - If no agreement can be reached, the HR Consultant will bring the request to the VP of Finance & Administration or to the VP of Academic Affairs if the position in question is in the Division of Finance & Administration. The decision of that Vice President on salary is final.
- No salary offer can be made to a candidate until this process is complete, the salary exception request is approved by the appropriate Vice President(s), and the Hiring Official is notified by Human Resources.

Interim/Acting Assignments

An acting or interim assignment applies when an existing EKU employee will be temporarily performing someone else’s job duties for a set period of time while that person is not working (medical leaves, vacancies while searches are being conducted, etc.) and the job duties are at a higher level than the duties of the primary job that the individual holds (cannot be 2 positions at the same level or a position at a lower level). Typically, the maximum length of time for an interim assignment is 9 months unless extenuating circumstances apply and VP approval is given.

- The hiring official must submit a PAF with the position number of the position that is being held on an interim/acting basis, containing all of the information for the candidate to be performing that job
- Pay will be the higher of:
 - A 10% increase from the candidate’s current pay
 - The range minimum for the job being performed
 - Exceptions may be granted to pay up to the individual’s new hire eligibility in the interim position, if approved by the appropriate Vice President
- If an employee is currently non-exempt and the position they will be temporarily filling is exempt, please confer with the Director of Human Resources to determine the appropriate course of action.

Temporary Workers

A temporary assignment applies when a non-EKU employee will be temporarily hired to perform some job duties for a short period of time. Individuals are allowed to be “Temps” for ECU for no more than 9 months in their lifetime.

- Temporary assignments are analyzed based on the duties to be performed to determine the classification and exemption status of the temporary employee
- The hiring official must submit a PAF with the appropriate temporary pooled position number based upon the job classification
- Pay must fall within the designated salary range for the classification and will be determined by:
 - Evaluating the candidate based upon standard ECU practices for new hires
 - The last pay rate for a non-retiree of ECU when they will be performing the same duties as a Temporary that they last performed as an employee for ECU
 - The salary range midpoint for ECU retirees
 - The hourly equivalent of the individuals last pay rate for returning Voluntary Buyout Program (VBP) participants (assignment subject to additional restrictions)

Model Academic Staff

- ECU follows the same pay scale as Madison County Public Schools for teachers, substitute teachers, teachers’ aides, and bus drivers.
- The hiring official determines the pay rate for each incumbent, crediting for experience as applicable.
- **PROCEDURE:** Compensation sends a copy of the Salary Recommendation Form to the hiring official with only the candidate name, position name, and organization information completed. The hiring official will forward the completed forms to HR for entry into OES.

FTE – full time equivalent calculation & pay determination

Part-time salaries for exempt positions are determined based on the full-time equivalency (FTE) to be worked by the employee (as a percentage of a standard 1950 hour work year). The full-time annual salary eligibility amount (as determined based on the standard evaluation method of experience & education) is multiplied by the FTE percentage to determine the annual part-time salary to be paid to the employee.

EKU Standard Work Schedule for Full-time Employees =
37.5 hours per week * 52 weeks per year= 1950 hours worked per year = 1.00 FTE

Part-time non-benefited =
Approximately equivalent to 20 hours per week/37.5 hours week full-time schedule= .53 FTE

Part-time benefited =

Approximately equivalent to 25 hours per week/37.5 hours week full-time schedule= .67 FTE

Using FTE to calculate rate of pay from an annual salary amount:

FTE *annual salary = rate of pay for an employee that is less than 1.00 FTE

Example: .53 X \$20,000 = \$10,600

Position Classification

Definitions

- **Position Classification:** Evaluation and assignment of a job to a pay range. This occurs when a new position is created.
- **Reclassification:** Reassignment of a position to appropriate job classification based upon a significant change in the level of permanent job duties performed in a position (can occur with or without an incumbent). A reclassification occurs when the duties of a job are significantly changed, through the addition or deletion of job duties, accountabilities or responsibilities. Common reasons for reclassification reviews include changes in the nature, scope, and difficulty of work, changes in organizational structure that affect supervision received, and/or supervision exercised. Job performance, changes in work volume, or temporary changes to a position do not warrant reclassification of a position. Reclassified employees typically retain a large portion of their prior job duties and also assume a significant amount of additional duties (typically close to 50%) at a different level than their previous duties. Classification review may result in a higher or lower classification change.
- **Reallocation:** Reassignment of a “Position or Classification” to another pay range based upon a change or clarification of duties. The job will retain the same title. A reallocation can occur when the market value of a position classification significantly changes in a short period of time and the current pay ranges are not sufficient to attract and retain quality employees to the job title in question. A reallocation can also occur when the duties of the incumbents in a job classification change significantly and warrant a change in pay range. In a reallocation, the title of the job and all of the incumbents that hold that title will not change. The pay range of that job title will be adjusted to reflect the new market value (pay range) or the changes in duties of the job. HR reserves the right to determine when it is necessary for a study or reallocation to be performed.

General Information

- Positions are established to accomplish certain duties and objectives as determined by management. When positions are evaluated and established, they are classified in accordance with ECU's Position Evaluation Procedure. Subsequent changes in duties may require a re-evaluation of the position.
- Employees' duties are to be kept within the scope of their current classification until a change is approved. Duties, which may involve a reclassification, may not be given to an employee without prior approval from Human Resources.

- Request for a position classification, reclassification, or reallocation must be administratively correct, have adequate justification and have funding approval before Human Resources can complete.
 - Administratively correct means that all required forms and information have been properly prepared and management reviews have been completed. The proper form for requesting a reclassification is the “Request for New Position or Reclassification” form available online.
 - Duty changes must have a legitimate business reason. Changes should specifically identify the new task to be performed with the skill, knowledge and abilities needed to complete the tasks and should state the benefit(s) the University will derive from the changes. Changes will not be made merely to raise an individual’s salary, to enhance retention, or to improve recruiting.
 - Funding sources for increases, which may result from the evaluation process, must be identified in the request on the Job Description Addendum. This can be an estimate, as actual cost will depend upon job evaluation results.
- Evaluations which result in a position decreasing in value will be implemented and may have an impact on the salary of the affected employee. The determination of pay in these instances depends upon a careful review of all factors involved and consultation with the employee’s management and other relevant parties.
 - The current employee may retain his/her existing salary and have future increases capped based on the new lower grade level. In the event the employee is already at a salary level above the maximum for the lower pay grade, the employee’s salary will be red circled (frozen) until such time as the pay scale is adjusted to allow them to be eligible for future salary increases.
 - The current employee’s pay may be reduced following the standard demotion procedure.

Position Evaluation Procedure (Job Pricing)

Following thorough job documentation and analysis, jobs are priced to determine the appropriate classification/job grade within EKU’s salary structure. Following EKU’s compensation philosophy, the goal is to strike a balance between external competitiveness with the relevant job market and internal equity in relation to other positions of like kind and quality.

Job pricing is completed using relevant wage and salary surveys for positions where market data is available and relevant. In addition, internal equity with positions of similar scope is considered and jobs are slotted into salary ranges/job grades within EKU’s classification system. For positions where no relevant market data is available, jobs may be evaluated using the point factor method and/or slotted after careful analysis. The University’s ability to pay may affect the classification of a position.

The relevant market for EKU positions is defined as: other academic institutions within the state of Kentucky, regional and national schools of similar scope and size, and general industry employers with whom we compete for employees with relative skills and experience.