**Salary Decisions**

*For Professional Staff Employees*

The following procedures apply to salary decisions for Professional Staff employees across Indiana University, effective immediately.

A. **Guidelines Applicable to All Salary Decisions**

1. Nondiscriminatory with regard to sex, age, color, ethnicity, gender, marital status, national origin, race, religion, sexual orientation, and veteran status
2. Emphasis on salary equity within a Responsibility Center (RC), with attention to bona fide job-related credentials and work experience; except that salary decisions for positions ranked PAE 5 and above should be based on salary equity across Indiana University
3. Increases should include consideration of employee’s work performance and outcomes, that are measurable and consistent
4. Should reflect Trustee policies, RC’s fiscal resources, and any grant or contract constraints
5. Should not be communicated to employee or candidate until all approvals have been obtained
6. Should only be submitted for consideration after RC fiscal authority has verified that the requested salary amount and associated benefits are covered by the unit’s existing base budget
7. Documentation submitted for review should be concise and complete, and should include date and amount of employee’s previous salary increase

B. **Salary Structures**

1. All Professional Staff jobs are assigned to a Job Family (Administrative, Auxiliary, Coaches, Development, Facilities, Health Care, Health Practice, Information Technology, Media, Marketing & PR, Research, Safety, and Student Services.)
2. Within Job Families are ranks, with distinguishable salary ranges intended to reflect the relevant market
3. Each salary range consists of the following elements:
   a. Minimum Salary – minimum annual salary amount for a fully-qualified incumbent
   b. Market Zone, Entry and Top – general range of annual salaries from relevant market comparisons
   c. Upper Reference Point -- maximum annual salary for the job
   d. Example for Administrative Services Job Family, Level 3 AD for FY 2013-2014
      Minimum $40,456 – Market Zone $48,131 to $62,545 -- Upper Reference Pt. $77,688
4. Salary ranges are intended to reflect both relevant market rates and the University’s competitive market philosophy, including an adjustment for a generous benefits program
5. A fully qualified employee should be paid at least the minimum of the respective salary range
6. Salaries above the Upper Reference Point should be the exception and for documented extraordinary reasons that are clearly in the University’s best interest
7. PAXX classifications, which are reserved for management-level positions reporting to the President, a vice president, or chancellor/provost, do not have a salary range
8. Salary ranges reflect annual equivalent amounts for a 100% FTE position; and the amounts would need to be prorated for lesser FTE positions
C. Salary Decision Categories and Procedures

Section A, Guidelines Applicable to All Salary Decisions, should be followed for all of the below categories

1. July 1st Salary Changes
   a. Description: Salary increases are expected to occur on July 1st, the beginning of the University’s fiscal year, including: merit increases, market adjustments, internal equity increases, and increases to the minimum of the salary range
   b. Policy: Specific policy provisions are determined each year, based on fiscal year budget considerations and limitations approved by the Trustees
   c. Documentation: • For market increases: relevant market salary data, with description of duties/Responsibilities of comparable work, and IU employee’s job-related credentials and work experience (external market data is normally assembled by University HR or a campus HR office) • For internal equity increases: list of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the equity increase is requested • If the salary increase is to be above the salary range Upper Reference Point amount, then specific justification should be documented and submitted for consideration
   d. Approvals:
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, for market and internal equity increases and amounts above the salary range Upper Reference Point amount
      iv. VPCFO & President

2. New Hire
   a. Description: Salary for new employee hired from outside of the University
   b. Policy: • If a new hire’s salary were to create an internal equity issue with others in the RC or a salary compression issue with the supervisor, then a plan to remedy such salary issues needs to be approved before offering the salary to the new hire • A new hire’s salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances
   c. Documentation: • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the new hire candidate • If the new hire salary is above the salary range Market Zone, then specific justification should be documented and submitted for consideration
   d. Approvals:
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, only for amounts above the salary range Market Zone
3. **Promotion**

   a. **Description:** Employee who transfers to a higher rank position or whose position is reclassified to a higher rank

   b. **Policy:** • Placement in the salary range, based on employee’s job-related credentials and experience, relative to RC’s fiscal resources • Should not result in an internal equity issue with others in the RC or a salary compression issue with the supervisor • A salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances

   c. **Documentation:** • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the promotional increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration

   d. **Approvals:**

      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, for amounts up to 5% of base salary and amounts above the salary range Market Zone (University HR has final approval for increases up to 5%, unless above the salary range Upper Reference Point)
      iv. VPCFO, for amounts above 5% of base salary and amounts above the salary range Upper Reference Point amount

4. **Demotion**

   a. **Description:** Employee who transfers to a lower ranked position or whose position is reclassified to a lower rank

   b. **Policy:** • For employees who voluntarily move to a lower level job, the salary should be decreased accordingly • For an involuntary move to a lower level job, there may be a decrease in salary to address internal equity issues with others in the RC or a salary compression issue with the supervisor • Under rare circumstances there may be an increase in salary to address an internal equity issue when the employee moves to an RC with a significantly higher relative fiscal posture

   c. **Documentation:** • For increases: list of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration

   d. **Approvals:**

      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR
      iv. VPCFO, only for any salary increase
5. **In-Range Adjustment**
   a. **Description:** • For an employee who assumes a measurably more complex role within the same job rank; not intended for assuming additional work of the same complexity
      • If the new assignment is within the fourth quarter of the fiscal year or the first quarter of the new fiscal year, then see July 1st Salary Changes as the appropriate action
   b. **Policy:** • Requires an updated position description with reference to those duties and responsibilities deemed to be “measurably more complex” • The salary recommendation should note how the amount was determined, salaries of others in the RC performing a similar kind and level of work, and an explanation as to why the adjustment was not included with July 1st Salary Changes • Should not result in an internal equity issue with others in the RC or a salary compression issue with the supervisor • A salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances
   c. **Documentation:** • An updated position description and documentation of the specific duties and responsibilities deemed to reflect measurably more complex work • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the equity increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration
   d. **Approvals:**
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, for amounts up to 5% of base salary and amounts above the salary range Market Zone (University HR has final approval for increases up to 5%, unless above the salary range Upper Reference Point)
      iv. VPCFO, for amounts above 5% of base salary and all amounts above the salary range Upper Reference Point amount

6. **Internal Equity**
   a. **Description:** When a new hire or transferred employee’s salary results in an internal salary equity issue with other employees in the RC or a salary compression issue with the supervisor • If the issue occurs within the fourth quarter of the fiscal year, then see July 1st Salary Changes as the appropriate action
   b. **Policy:** • The request should note how the salary amount was determined, salaries of others in the RC performing a similar kind and level of work, and an explanation about why the adjustment was not included with July 1st Salary Changes • A salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances
   c. **Documentation:** • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the equity increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration
   d. **Approvals:**
7. **Lateral Transfer**
   a. **Description:** Employee who transfers to a position with the same rank
   b. **Policy:** • For employees who transfer to position with the same rank, there is normally no change in salary • Under rare circumstances there may be an increase or decrease in salary to address an internal equity issue when the employee moves to an RC with a significantly higher or lower relative fiscal posture
   c. **Documentation:** • For increases: list of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be prepared
   d. **Approvals:**
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, only for any salary increase
      iv. VPCFO, only for any salary increase

8. **Counter Offer**
   a. **Description:** Employee who receives a bona fide internal (across RCs) or external employment offer for a similar level role as the employee’s current job
   b. **Policy:** • Employee must provide a written signed employment offer, that must indicate the offered role and salary • Should not result in an internal equity issue with others in the RC or a salary compression issue with the supervisor • A salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances
   c. **Documentation:** • Copy of the internal (across RCs) or external employment offer, with specific reference to the offered role and salary • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the equity increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration
   d. **Approvals:**
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, for amounts up to 5% of base salary and amounts above the salary range Market Zone (University HR has final approval for increases up to 5%, unless above the salary range Upper Reference Point)
iv. VPCFO, for amounts above 5% of base salary and amounts above the salary range Upper Reference Point

9. H-1B Visa Status
   a. Description: For “specialty occupations” as defined by DOL (US Department of Labor) and USCIS (US Citizenship and Immigration Services), the visa holder must be paid 100% of the “prevailing wage” determined by the DOL
   b. Policy: • Unit should work with IU International Programs for USCIS requirements • Salary should not result in an internal equity issue with others in the RC or a salary compression issue with the supervisor • A salary above the salary range Market Zone needs to be carefully considered for exceptional circumstances
   c. Documentation: • Specifics of the “prevailing wage” amount, based on DOL regulations • List of employees performing a similar kind and level of work in the RC, with job-related credentials and work experience, including the employee for which the H-1B Visa increase is requested • If the new salary is to be above the salary range Market Zone, then specific justification should be documented and submitted for consideration
   d. Approvals:
      i. RC Head
      ii. Campus fiscal affairs or UA unit fiscal affairs
      iii. University HR, for amounts up to 5% of base salary and amounts above the salary range Market Zone (University HR has final approval for increases up to 5%, unless above the salary range Upper Reference Point)
      iv. VPCFO, for amounts above 5% of base salary and all amounts above the salary range Upper Reference Point