

	<b>Policy:</b> <b>Classified Staff Compensation</b>	<b>Page 1 of 13</b>
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**I. POLICY**

The Department of Personnel has established procedures governing compensation for the state personnel system. Every classified employee shall be compensated within the pay grade assigned to a class. Within the salary range assigned to each pay grade, appointing authorities are responsible for establishing the appropriate pay rate for each employee. Compensation practices shall provide for equitable and fair treatment of similarly situated employees. This compensation policy is designed to establish guidelines for setting salary levels and requesting discretionary and/or premium pay.

**II. AUTHORITY FOR CAMPUS POLICIES**

- A. Colorado Revised Statute 24-50-104
- B. State Personnel Board Rules and Directors Procedures, Chapter 3

**III. PURPOSE**

The Colorado Constitution, state law, State Personnel rule and university policy guide how pay is determined for classified employees. By law, employees covered by the state personnel system are to be compensated with salaries and other benefits comparable to those found in the public and private labor markets. State law provides that the State personnel director shall conduct annual surveys of the competitive labor market to determine comparable salary and benefits levels.

**IV. DEFINITIONS AND GUIDELINES**

- A. Pay Plans - The heart of the compensation system is the pay plans—a plan for each of the seven occupational groups. Most employees are covered by a pay plan that uses a series of grades. A grade indicates a unique range of salaries with a minimum and maximum. In any case, each class of work identified within the state personnel system is assigned to a grade in the appropriate pay plan. This means that any other employee within the state personnel system whose job is placed in the same class and grade will be paid within the same range. The State has adopted rules to permit movement through the range under specific conditions.
- B. Entry Salaries - The rules and procedures used in the state personnel system provide guidance as to what new employees are paid. Hiring above the minimum should be a unique

practice due to labor market shortages in order to avoid inflating labor costs (hires and compression with current staff) or setting an unintended precedent for the future.

1. Initial hiring shall typically be at the minimum rate of the pay grade. On a showing of recruiting difficulty or other unusual condition, the appointing authority may authorize the appointment of a person at a higher base salary within the pay grade not to exceed the maximum of the range for the class.
2. Requests to hire at a salary that exceeds the minimum of the pay grade rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid. In the event that funds to support the higher-than-base salary cannot be identified, the salary action cannot be completed.
3. The typical requests for higher salary rates are due to situations such as:
  - a) Extensive or unique advertising required to fill position
  - b) Fewer than 3 qualified applicants
  - c) Unusual market conditions
  - d) Candidate with special skills hired
  - e) Candidate's salary history higher than norm
  - f) Equity within department
  - g) Mission-critical or unique work assignment
  - h) Retention or turnover issues
4. In such situations, the department may also consider the use of a non-base building signing award at its discretion, and in accordance with this established plan.

C. Reinstatements/Reappointments. Salaries may be set anywhere from the hire rate of the class being reinstated/reappointed into, up to a salary rate which reflects the relative position within the pay grade at which the employee was previously certified, adjusted for salary survey and occupational study changes. In the case of reappointment, if the current salary exceeds the previous rate described above, the current rate is the maximum rate. In no event may the new salary be set above the pay grade maximum of the new classification.

1. Requests to hire at a salary that exceeds the minimum of the pay grade rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the

change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid.

2. In the event that funds to support the new salary cannot be identified, the salary action cannot be completed.

D. Upward Movement (Promotions and Reallocations). An upward movement is an appointment to a class in a higher grade, based on comparison of the maximums of the classes involved. An example of an upward movement is when a position held by an employee is allocated upward and the employee is promoted to the higher class after an examination. Another example is when an employee successfully competes for a vacant position in a higher class. Either way, promotions in the state personnel system are always the result of some type of examination process. In no case shall the new base rate be lower than the minimum, except in disciplinary actions, or higher than the maximum of the new grade. Continuation of a salary increase is subject to satisfactory completion of the trial service period.

1. If an employee's current base salary is below the maximum of the new pay grade, an upward movement can result in an increase of up to 5.0% of the current base pay with the approval of the appointing authority (as long as it does not exceed the grade maximum).

2. If the employee's salary falls below the minimum of the new pay grade even after a 5.0% increase, the employee's salary must be increased by whatever amount necessary to meet the pay grade minimum.

3. Requests to promote at a salary that exceeds base rate must be in writing, approved by the appropriate vice president, and submitted to the Human Resources office prior to the salary offer being made. The request must also be sanctioned by the Budget Director before Human Resources may implement the change. The purpose of the Budget Office review is to assure that sufficient base budget is identified and allocated to the account from which the employee is paid.

4. In the event that funds to support the new salary cannot be identified, the salary action cannot be completed

E. Downward Movement (Change to different class with lower range maximum)

1. A downward movement occurs any time an appointment is made to a new class at a lower grade, based on a comparison of the maximums of the classes involved. Downward movements are grouped into categories. One category may be the result of a classification review. One might be voluntary, as in the case of a demotion in lieu of layoff. Downward movements can be disciplinary in nature, or they can result when persons who are promoted are unsuccessful in their new class. Each of the above categories is handled somewhat differently under the state personnel system. Except in the case of disciplinary demotions, or when the employee is unsuccessful in a promotion to a higher class, the rules of the state personnel system attempt to protect the employee as much as possible from salary loss. In the case of downward movement resulting from job evaluation actions, even if the employee is moved to a class with a lower pay range, the current base pay is maintained for up to three years

in accordance with the statutes. At the end of the three-year saved-pay period, an employee would face a pay reduction only if the base pay is above the maximum of the range.

2. As specific rules apply based on the reason for the downward adjustment, departments must work directly with the Human Resources office in establishing the appropriate salary level.

F. Lateral Adjustments - Lateral movement is a change to a different class or position with the same range maximum (e.g., transfers, individual allocations, system maintenance studies including class placement), or an in-range salary movement in the same class and position. Base pay shall be any rate between the employee's current rate and the grade maximum. In addition, in-range salary movements are subject to the provisions below.

1. In-range salary movements may be used to increase base salaries of permanent employees who remain in their current classes and positions when there is a critical need not addressed by any other pay mechanism. They are not to be used in place of, or to supplement, annual compensation adjustments; non-base discretionary pay differentials; demotion and lateral class or position movements; other incentive or reward adjustments; or overtime or other pay premiums. Base-building payments cannot exceed the maximum of a pay range.

2. Any salary increase must be funded within existing budget, and must be reviewed by the budget director. Requesting authority must recognize that base-building movements also impact the costs of retirement contributions, tax withholding, pay premiums, and overtime rates.

3. Movements are not retroactive, and frequency is limited to no more than one in-range movement in a 12-month period. In order to actively manage pay administration, further limits on the number or frequency of salary adjustments may be implemented at the discretion of the President.

4. A supervisor may request an in-range salary movement for an employee by completing a Base-building In-Range Salary Adjustment Form, and obtaining approval of Appointing Authority, Vice President, and President after review by Budget Director.

5. At the time a movement is planned, an individual agreement must be created that includes the type of movement, the reason for use, the amount, any requirements for forfeiture of unearned amounts, and other terms and conditions deemed appropriate.

6. Lateral adjustments may be made only for the following purposes:

a) Salary leveling to alleviate salary range compression where longer-term or more experienced employees are paid lower in the range for the class than new hires or less experienced employees over a period of time resulting in documented ongoing retention difficulties.

1. Justification shall be required based on facts.
2. To be eligible, an employee must be performing satisfactorily as evidenced by the most recent final overall performance rating.
3. The increase may be up to 10% and may not exceed pay grade maximum.

b) Counteroffer, used only when an employee with critical, strategic skills and competencies receives a higher salary offer from another department or outside employer and the appointing authority needs to increase the employee's base salary for retention purposes.

1. Written confirmation of the other entity's salary offer is required.
2. The employee must be performing satisfactorily, as evidenced by the most recent final overall performance rating.
3. The increase may be up to 10% and may not exceed pay grade maximum.
4. Adjustments made as a counteroffer may not occur more than once every two years.

c) Delayed Promotional Increase, used when a promotion is made with no salary increase or partial salary increase because production expectations are unproven and/or funds may be unavailable at the time of promotion. This is a one-time base salary increase within 12 months of the date of promotion when funds become available and the employee's contributions are fulfilled.

1. The intent to provide a later salary increase must be documented at the time of the promotion.
2. To be eligible, an employee must be performing satisfactorily as evidenced by the most recent final overall performance rating.
3. The increase may be up to 10 percent and is subject to the pay grade maximum.
4. Transfer, promotion, demotion, or separation of the employee will negate the delayed increase.

d) When a new employee is hired and production expectations for critical skills are unproven and/or funds may be unavailable, the university may provide a one-time base salary increase within 12 months of hire.

1. The intent to provide a later salary increase must be documented at the time of hire.
2. To be eligible, early satisfactory completion of specified training objectives must be documented.
3. This is limited to a one-time increase up to 10 percent.
4. Transfer, promotion, demotion, or separation of the employee will negate the delayed increase.

#### G. Overtime Compensation

In general, non-exempt employees earn overtime compensation at one and one-half times the employee's pay rate for hours worked in excess of 40 hours per week.

1. Overtime must be approved by employee's supervisor prior to overtime work being done. Failure to obtain pre-approval may result in disciplinary action.
2. Compensatory time in lieu of monetary payment is allowed if there is a written agreement between the university and the employee.
3. Acceptance of compensatory time may be a condition of employment for new employees.
4. Compensatory time must be taken within four months of the end of the pay period in which it was earned and shall not exceed 60 hours. Any additional overtime in excess of 60 hours must be paid at the next regular pay period. All compensatory time must be used or paid by June 30 of each year. Unused compensatory time at termination will be paid at that time.

#### H. Discretionary Pay Differentials

State Personnel Board Rules and Director's Procedures provide guidelines for types of discretionary pay available to classified employees, and for those types of premium pay, in addition to overtime, that are potentially available to classified employees. These are non-base building discretionary pay differentials on a temporary basis, which shall be funded within existing budget. Colorado Mesa University may provide:

1. Temporary Pay Differential: The intent of a temporary pay differential is to award temporary, non-base building pay in certain specified circumstances. The Temporary Pay Differential applies to current employees who remain in the same position. This differential also prevents the need of permanently and substantially altering the work assignment in order to attempt to justify a higher class for a temporary assignment. There are several purposes for temporary pay differential.

- a) Temporary Pay - Acting Assignment -- The acting assignment differential applies when an employee assumes the full set of duties from a higher-level

vacant position or from a higher-level encumbered position whose incumbent is on an extended leave. It can be used for a period that is longer than 30 days but cannot exceed six months.

b) Temporary Pay - Long-term Project -- The Long-term Project differential applies when an employee is assigned a project that is critical to the mission of the campus and enhances its operation. The type of project work is not customarily assigned to the position and project assignments are not an expected part of the regular assignment. (Note: this differential is not limited to project leaders only. Ongoing project leadership should be considered separately under the job evaluation system, perhaps as part of the work leader concept.)

c) Temporary Pay Differential - Critical Skills -- The Critical Skills differential applies when an employee has unique, specialized knowledge or skills that are critically important to the mission of the campus and its productivity. The skill set is of such value that loss of the employee, or inability to recruit for the skill set due to documented labor shortage and recruitment difficulty would result in a demonstrated, severe adverse impact on the campus.

d) Amount: The temporary pay differential can be any amount up to 10% of the employee's current pay rate.

e) Authority: The supervisor may request, in writing, a temporary pay differential. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.

f) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

2. Counteroffer to a verifiable job offer may be used when an employee with *critical strategic* skills receives a higher salary offer from another department or outside employer and the appointing authority needs to retain the employee. The sum of the non-base building differential and current base pay cannot exceed the statutory lid in any given month and may be paid in one or more payments.

3. Signing bonus is a non-base building lump sum that may be used to attract new permanent employees into the state personnel system. It may be paid in one or several payments; however, the sum of the bonus and current base pay cannot exceed a statutory lid in any given month. Signing bonuses may be used only for the following reasons:

a) To fill position in critical occupations where there is a documented shortage in the labor market and recruitment or retention difficulty in the department that jeopardizes the university's mission; or

b) When the applicant possesses a unique, critical skill in relation to the job.

I. Other Premium Pay – The University is required to pay shift and/or on-call premium pay to employees in the classes that are designated by the state personnel director as premium eligible.

1. Shift Differential Pay is additional pay beyond base pay for working shifts, applicable to positions eligible for overtime under the FLSA provisions. Second shift rate applies when half or more of the scheduled work hours fall between 4:00 pm and 11:00 pm. Third shift rate applies when half or more of the scheduled work hours fall between 11:00 pm and 6:00 am.

- a) Amount: If the hours are evenly split between shifts, the higher shift differential rate applies to all hours worked during the shift.
- b) Authority: The supervisor may request, in writing, that a specific position, not already designated by the state personnel director, be eligible for shift differential pay, and must include an updated PDQ which reflects the need for shift work. The request must document why it is necessary for the position to work the second or third shift. The request must include the recommended amount and the source of funds. The request must be approved by the appropriate vice president and the president.
- c) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

2. On-Call Status Pay is additional pay for eligible employees specifically assigned in advance to such status. Freedom of movement is significantly restricted; however, the employee is still free to use this time effectively. On-call compensation should be supported by prevailing market practices.

- a) To qualify for on-call status, an employee in this position should expect to be called back into work during the on-call period, be severely restricted geographically, and be constantly available by telephone.
- b) Authority: The supervisor may request, in writing, that a specific position be eligible for on-call pay, and must submit an updated PDQ which reflects the need to be on-call. The request should provide documentation that comparable positions in the marketplace receive this type of premium pay. Document any recruitment or retention issues your department has experienced that are directly related to lack of on-call compensation, and any other relevant information. The request must include the recommended amount and appropriate supporting justification and source of funds. The request must be approved by the appropriate vice president and the president.
- c) Once the request has been approved and submitted to the Human Resources office, a written agreement will be prepared between the employee and the department.

3. Call Back Pay is payment made at base pay rate, paid for no less than two hours, when an eligible employee is required to report to work before or

after a scheduled shift (not a continuation of the shift). Eligible employees are those who are eligible for overtime.

## **V. PROCEDURES**

### **A. Request for Non-Base-Building Discretionary Pay Differential for Classified Staff**

- Use the [Non-Base-Building Discretionary Pay form](#).

### **B. Request for Shift Differential Pay for Classified Staff position not published as eligible for shift differential pay**

- Use the [Shift Differential form](#).

### **C. Request for On-Call for Classified Staff**

- Use the [On Call Pay form](#).

### **D. Request for Base-building Salary Adjustment**

- Use the [Base-building Salary Adjustment Form](#)

## **RESPONSIBILITY**

The Human Resources office is responsible for implementing the provisions of this policy.

## **VII. ATTACHMENTS**

- A. [Non-Base-Building Discretionary Pay form](#)
- B. [Shift Differential form](#)
- C. [On Call Pay form](#)
- D. [Base-building Salary Adjustment Form](#)

**Request for Non-Base-Building Discretionary Pay Differential for Classified Staff**

Use this form to document justification for Temporary Pay, Counteroffer, or Signing Bonus for an eligible employee.

Employee Name \_\_\_\_\_ Employee ID \_\_\_\_\_

Job Class Code & Title \_\_\_\_\_

Position # \_\_\_\_\_ Department \_\_\_\_\_

Requested Effective Date \_\_\_\_\_

Please check which of the following apply to this position.

- Matching Pay – Counteroffer to a verifiable, documented, bona fide internal or external job offer that must be presented in writing. (Copy of offer must be attached.)
- Matching Pay - Compression Adjustment -- Ease compression within a range when newer, less experienced employees are hired at higher base pay rates than current, more experienced employees.
- Signing Bonus -- To fill critical positions where labor market shortages exist or documented recruitment/retention difficulty exists that jeopardize the campus mission.
- Signing Bonus --To fill positions when an applicant possesses unique and critical skill in relationship to the market.
- Temporary Pay - Acting Assignment -- Used for a period that is longer than 30 days but less than six months.
- Temporary Pay - Long-term Project -- Applies when an employee is assigned a project, which is critical to the mission of the campus and enhances its operation and lasts more than six months.
- Temporary Pay – Critical Skills -- Applies when an employee has unique, specialized knowledge or skills that are critically important to the mission of the campus and its productivity.

Recommended Amount: \$ \_\_\_\_\_

Justification: attach additional page, if necessary

What is the estimated cost for this employee for this fiscal year, including retirement contribution?  
Have you identified the source of these additional funds?

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Immediate Supervisor Approval \_\_\_\_\_ Date \_\_\_\_\_

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Appointing Authority Approval \_\_\_\_\_ Date \_\_\_\_\_

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Vice president Approval \_\_\_\_\_ Date \_\_\_\_\_

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President Approval \_\_\_\_\_ Date \_\_\_\_\_

**Request for Shift Differential Pay for Classified Staff**

Use this form to document justification of shift differential pay for working shifts for positions not exempt from FLSA overtime provisions, and not published as eligible for shift differential pay.

Employee Name: \_\_\_\_\_ Employee ID \_\_\_\_\_

Job Code and Title: \_\_\_\_\_ Position # \_\_\_\_\_

Department: \_\_\_\_\_ Requested Effective Date: \_\_\_\_\_

Second Shift (4:00pm to 11:00pm). This applies when half or more of the scheduled work hours fall within this time period.

Third Shift (11:00pm to 6:00am). This applies when half or more of the scheduled work hours fall within this time period.

Why is it appropriate for this position to work either second or third shift? (Note, PDQ must reflect shift need).

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Immediate Supervisor Approval \_\_\_\_\_ Date \_\_\_\_\_

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Appointing Authority Approval \_\_\_\_\_ Date \_\_\_\_\_

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Vice president Approval \_\_\_\_\_ Date \_\_\_\_\_

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President Approval \_\_\_\_\_ Date \_\_\_\_\_

**Request for On-Call Pay for Classified Staff**

Use this form to document justification of on-call pay for an employee specifically assigned in advance to such status, and for positions not published as eligible for on-call pay.

Employee Name: \_\_\_\_\_ Employee ID \_\_\_\_\_

Job Code and Title: \_\_\_\_\_

Position #: \_\_\_\_\_ Department: \_\_\_\_\_

Requested Effective Date: \_\_\_\_\_

Please check any of the following that apply to this position.

- Employee in this position EXPECTS to be called back into work during the on-call period.
- Employee in this position is severely restricted geographically during the on-call period.
- Employee in this position must be constantly available by telephone during the on-call period.
- Position is not exempt from the FLSA overtime provisions.

Please complete the following:

How often, and for what period of time is this position typically on-call?

Are comparable positions in the marketplace compensated this way? If so, provide documentation.

Please document any recruitment or retention issues your department has experienced that are directly related to lack of on-call compensation.

Any other relevant information:

This department has considered the financial implications of requesting on-call status for this position.

\_\_\_\_\_  
Immediate Supervisor Approval Date

\_\_\_\_\_  
Appointing Authority Approval Date

\_\_\_\_\_  
Vice President Approval Date

\_\_\_\_\_  
President Approval Date

**Request for Base-building Salary Adjustment**

Use this form to document justification of in-range salary movement in the same class and position.

Employee Name: \_\_\_\_\_ Employee ID \_\_\_\_\_

Job Code and Title: \_\_\_\_\_

Position #: \_\_\_\_\_ Department: \_\_\_\_\_

Requested Effective Date: \_\_\_\_\_

**Purpose of Request:**

- Salary leveling to alleviate salary range compression  
The facts must show that the longer-term, more experienced employees are paid lower in the range for the class than new hires or less experienced employees over a period of time resulting in documented ongoing retention difficulties. There must, therefore, be a valid need to increase one or more employee's base salary to recognize contributions equal to or greater than the newly hired or less experienced employees. *Please attach factual documentation.*
  
- Counteroffer  
The facts must show that an employee with critical, strategic skills and competencies has received a salary offer from another department or outside employer and that there is a need to increase the employee's base salary for retention purposes. *Please attach factual documentation and written confirmation of the other entity's salary offer.*
  
- Delayed Promotional Increase  
The employee has been/is to be promoted with either no immediate salary increase or with only a partial salary increase because either production expectations are unproven or funds are unavailable at the time of promotion. The salary increase is to be made within 12 months of the promotion.
  
- New Hire whose skills are unproven  
The employee has been/is to be hired at a lower base salary because production expectations for critical skills are unproven at the time of promotion. The salary increase is to be made within 12 months of hire.

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Immediate Supervisor Approval \_\_\_\_\_ Date \_\_\_\_\_

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Appointing Authority Approval \_\_\_\_\_ Date \_\_\_\_\_

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Vice President Approval \_\_\_\_\_ Date \_\_\_\_\_

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President Approval \_\_\_\_\_ Date \_\_\_\_\_