**LOCAL PPSM POLICY 30 **

**SALARY COMPENSATION**

<table>
<thead>
<tr>
<th>Responsible Units:</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Office:</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Issuance Date:</td>
<td>TBD</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>TBD</td>
</tr>
<tr>
<td>Scope:</td>
<td>Professional &amp; Support Staff, Managers &amp; Senior Professionals and Senior Management Group</td>
</tr>
</tbody>
</table>

**I. POLICY SUMMARY**

This local policy provides information to supplement the Systemwide Personnel Policies for Staff Members (PPSM) regarding compensation, hours of work, and related components for employees in the Managers & Senior Professionals and Professional & Support Staff personnel groups.

**II. DEFINITIONS**

Refer to Systemwide PPSM 30 Compensation.

**III. REFERENCES**

Refer to Systemwide PPSM 30 Compensation in conjunction with LPPSM 30.

**IV. POLICY TEXT**

A. **Individual Salary Actions for Career, Partial-Year Career, Contract, and Limited Appointment Staff Employees**
   a. The local approval authority for individual salary actions is contained in the Appendix for LPSSM 30 (Compensation).

B. **Individual Salary Actions for Casual-Restricted Positions**
   a. Individual salary actions within policy may be approved by the Department Head or designee.

C. **Responsibility**
   a. **Department Heads**
      i. Review and submit requests in accordance with the internal routing and review procedures through the Divisional Control Points.
   b. **Divisional Control Points**
      i. Ensure that the organization’s internal routing and review procedures are communicated within the division;
      ii. Submit requests requiring Human Resources review and recommendation/approval; and/or
      iii. Divisional Control Points may establish one or more designated contacts for purposes of forwarding requests related to salary adjustments and dual
employment to Human Resources. The designated contact shall be responsible for ensuring that the appropriate approvals are obtained from the Control Point prior to submission to Human Resources.

c. **Human Resources is responsible for:**
   i. Providing recommendations/approvals for actions submitted under PPSM 30 and LPPSM 30 Compensation.

### III. REVISION HISTORY

The following documents are rescinded in conjunction with the issuance of this local policy.

- Delegation of Authority (Retention and Recruitment of Programmer/Analysts and Computer Resource Managers), dated June 13, 1996
- LPPSM 32 Overtime

Effective Date: July 1, 2013

### A. REFERENCES

- PPSM 2—Definition of terms
- PPSM 30—Salary
- PPSM 30.E—Salary—Salary Adjustments
- PPSM 30.I—Salary—Annual Increases
- PPSM 31—Hours of Work
- PPSM 32—Overtime
- PPSM 33—Shift and Weekend Differential

### B. POLICY

1. **Appointment Rates.** The starting salary of a person newly appointed to a limited appointment or career position or going from limited to career shall be established between the minimum and mid-point of the salary range, subject to availability of funds and internal equity concerns. Appointments above the range mid-point require approval by Human Resources, unless a standing exception has been granted by Human Resources to specific job families due to market considerations. Departments are responsible for identifying fund sources for appointment rates that exceed the budgeted provision.

   For MSP positions only, appointment rates above the range mid-point require Control Point approval, unless the Control Point delegates this authority to the Hiring Manager. Such delegations of authority shall be managed within each division. Note: The Chancellor approves all salary decisions for positions that are supervised by the Chancellor's direct reports.

2. **Merit Increases.**

   Employees will be eligible for merit increase consideration if they are:

   - on regular status in a career position by October 1;
   - are not at the salary range maximum;
   - were appointed to a limited or career position on or before the preceding April 1;
and had no break in service between April 1 and October 1 of that year.

(See PPSM 2/Definitions, for explanations of Regular (non-probationary) Status and Break in Service).

Merit increases follow the annual review date of October 1 as discussed in local policy #23/Performance Appraisal.

The employee will retain merit eligibility through possible changes, such as reclassification, promotion or demotion, as long as the resultant title is still within PPSM. The amount of increase awarded may be influenced by many factors including the following:

a. Performance relative to employees in the review unit;
b. Market position of affected job series;
c. Recent salary actions;
d. Employee's participation on cross-functional teams;
e. Employee's current position in the salary range; and/or
f. Availability of funds.

3. Salary Increases for Limited Appointment/Casual-Restricted Positions. Employees in limited appointment or casual-restricted positions are eligible for a salary increase at the discretion of the department head during their appointment. In general, department heads should pay special attention to the salaries of long-term career employees when granting limited appointment and casual-restricted increases and should align them with internal equity concerns and market considerations. Managers should also take into account the nature and level of work being performed, the performance cycle and the volatility of the market when granting increases.

4. Promotion, Reclassification, Demotion or Transfer. Salary adjustments upon promotion or reclassification must be consistent with PPSM 30.H, the 25% cap rule. PPSM 30.H limits total base-building salary increases in a fiscal year to 25%, unless a greater amount is needed to bring the adjusted salary to the minimum of the new range.

5. Dual Employment. Dual employment occurs when an employee who holds a full-time (100%) position in one area works additional time in another department or classification. Dual employment in excess of 100% must have prior approval from the Requesting Department, the employee’s Home Department, Human Resources, and, if an academic position is involved, the Associate Vice Chancellor for Academic Personnel and must meet any of the following conditions that apply:

If the primary appointment is non-exempt and in the Professional & Support Staff personnel group: If an employee works full-time (100%) in a classification that is non-exempt and then works additional hours, all hours worked in excess of 40 hours in a workweek will be paid at the premium rate, regardless of the exemption status or classification of the dual appointment. Alternatively, a full-time (100%) employee may request that his/her Home Department Head approve a voluntary reduction of the current position by the percentage necessary to accommodate the dual appointment.

The employee must report all hours worked without exception. If it is not possible to report all hours worked, a request for dual employment will not be approved.

If the primary appointment is exempt and in the Professional & Support Staff personnel group:
Dual employment in excess of 100% of full-time may be approved when:

An employee is to teach a University Extension course with teaching and related job duties performed outside the employee’s regular schedule;

OR

It is impractical to employ another person; the additional appointment will not exceed a total of 12 calendar months; the time worked on the additional appointment will not be detrimental to the employee’s health nor affect performance adversely; and the employee’s full-time department head agrees to the arrangement.

If an employee works full-time (100%) in a classification that is exempt from premium overtime and then works additional hours in a classification that is subject to premium overtime, the additional hours are paid at the straight-time rate provided that the additional hours spent performing non-exempt duties total less than 20%. If the additional hours are 20% or more of the total hours worked in a workweek, all additional hours are paid at the premium rate.

If the dual employment involves an Academic position:

Employment beyond 100% involving an academic position will not be approved except in rare and unusual circumstances. A full-time employee wishing to also be employed in a teaching position will normally either:

- Reduce the current position by the percentage necessary to accommodate the teaching position;

- OR

- Teach on a without-salary basis.

Criteria for MSP (Managerial and Senior Professional) Employees:

An MSP employee who is appointed at 100% time shall not receive additional compensation from the University for any work or services which are related to the primary MSP appointment, regardless of the source or type of payment. This restriction includes by-agreement payments, honoraria, or any other form of payment for services, including work done for other UC campuses. Exceptions to this policy may be granted for teaching regularly scheduled University Extension courses whether or not related to the employee's appointment and outside the employee's normally scheduled hours.

6. Upward Reclassification

The permanent change of title of an employee's current career position to a title of a different class having a higher salary range maximum is termed an upward reclassification. In determining the appropriate salary increase upon reclassification, the department head will consider the differences in responsibilities between the old and new position, the relative placement in the new salary range in relation to the salary range mid-point and in relation to comparable employees in the unit. Resultant pay upon upward reclassification may vary between no increase to an increase not to exceed 25% of base pay, (see PPSM 30.H) unless a higher amount is necessary to bring the salary to the minimum of the new range. Normally, the resultant salary is between the minimum and the mid-point of the new salary range.

For MSP positions only, starting salaries above midpoint require Control Point approval, unless the Control Point delegates this authority to the Hiring Manager. Such delegations of authority...
shall be managed within each division. Note: The Chancellor approves all salary decisions for positions that are supervised by the Chancellor’s direct reports.

a. – Upward Reclassification (Temporary). The temporary assignment of a majority (over 50%) of duties into a title which carries a higher salary maximum may be compensated via an Administrative Stipend (see Administrative Stipend for Temporary Assignments, Local Policy 30.6.b).

b. – Administrative Stipend for Temporary Assignments. An administrative stipend may be paid to an employee in a non-represented title who is temporarily assigned responsibilities of a higher level position or significant duties not normally a part of the employee’s regular position. Assignment of temporary responsibilities at a lower level does not warrant a stipend. The sum of the stipend and the base salary must fall within the salary range into which the position is classified. Stipends for employees are appropriate when increased responsibility lasts for one month or longer with a maximum duration of one year. Stipends beyond one year require approval of Human Resources. Stipends shall be requested following standard procedures governing all reclassification submissions.

c. – Promotion. The change of an employee from one career position to another career position (normally through recruitment) which has a higher salary range maximum is termed a promotion. In determining the appropriate amount of salary increase upon promotion, the department head will consider internal equity concerns, the relative placement of the salary to the mid-point. Resultant pay upon promotion may vary between no increase to an increase not to exceed 25%, unless a larger increase is needed to bring the salary to the minimum of the new salary range. Normally, the resultant salary should be between the minimum and the mid-point of the new salary range. Departments are responsible for identifying fund sources for appointment rates that exceed the budgeted provision.

For MSP positions only, starting salaries above midpoint require Control Point approval, unless the Control Point delegates this authority to the Hiring Manager. Such delegations of authority shall be in writing and maintained by the Control Point. A copy of the delegation of authority for such salary decisions shall be provided to Human Resources. Note: The Chancellor approves all salary decisions for positions that are supervised by the Chancellor’s direct reports.

d. – Demotion. The change of an employee from one career position to another career position (normally through recruitment) which has a lower salary range maximum is termed a demotion. An employee normally will receive a salary decrease upon demotion.

e. – Downward Reclassification. The change of the title of an employee’s current position to a title of a different class having a lower salary range maximum is termed a downward reclassification. Upon downward reclassification, the employee’s resultant pay shall be within the new salary range (see PPSM 30.E). Exceptions to this policy are permitted only when systemic adjustments to job families occur, such as the collapsing and consolidation of job titles.

f. – Lateral Reclassification. The change of title of an employee’s current career position to a title of a different class having the same salary range maximum is termed a lateral reclassification. Upon lateral reclassification, the employee shall receive no salary increase.

g. – Lateral Transfer. The change of an employee from one position to another position (normally through recruitment) which has the same salary range maximum is termed a lateral transfer. Upon a lateral transfer in which a recruitment has been conducted, Local Policy 30.B.1.
Appointment Rates, applies, unless the new appointee's salary is above the mid-point in which case, no increase is normally permitted.

h. Equity Increases. Equity increases may be granted for situations caused by market volatility, or the need for range structure adjustments. Equity increases are not approved for longevity in a job, performance criteria, salary maximums reached or the personal financial exigencies of employees. Equity increases must be approved by Human Resources, unless a standing exception has been made by Human Resources for specific job families.

For MSP positions only, approval of individual equity increases (excluding Special Equity Programs), is decentralized from Human Resources to the Executive Vice Chancellor and the Vice Chancellors. The Executive Vice Chancellor and Vice Chancellors may choose to delegate authority down to another Control Point if he/she desires. Such delegations of authority shall be in writing and reside with the Executive Vice Chancellor and Vice Chancellors' office.

Note: The Chancellor approves all salary decisions for positions that are supervised by the Chancellor’s direct reports.

C. RESPONSIBILITY

Within policy guidelines, department heads are responsible for:

1. Developing merit increase recommendations;
2. Establishing appointment rates;
3. Determining salary adjustments for stipends upon reclassification, promotion and demotion; and
4. Determination of availability of funding.

Human Resources is responsible for:

1. Adjusting salary ranges;
2. Developing merit increase guidelines and ensuring budgetary control of merit increases;
3. Approving exceptions to policy interpretation where appropriate;

For MSP positions, Campus Control Points (or delegates) are responsible for:

1. Approving appointments above the range midpoints;
2. Approving starting salaries above midpoint;
3. Approving individual equity increases.

Note: The Chancellor approves all salary decisions for positions that are supervised by the Chancellor’s direct reports.

Applicability: All Staff Members except Senior Managers