

POLICY 11: COMPENSATION

11-B FACULTY SALARY

1. Salary Principles

a. Introduction

The university recognizes the importance of its faculty and the need to invest resources in them to develop and maintain the capacity to achieve its mission. A fundamental purpose of the University of Colorado is the teaching of students; it is faculty members who provide that instruction. The faculty convey the latest information and techniques to students so that our graduates can be locally, nationally, and internationally competitive. A second fundamental purpose of the university is to generate new knowledge. Faculty members define the cutting edge of their fields of knowledge through their research, which also strengthens the education of their students. Faculty members contribute to the university's well-being, mission, and operations through shared governance and leadership and service to the institution and the community. [A glossary of salary terminology is located at the end of this policy.]

b. Principles

(1) Faculty compensation is a major factor in securing the quality of the university's academic programs. Therefore, the salary needs of the faculty will be a high-priority element of budgetary planning each fiscal year. (Note: Compensation in addition to salary is determined at the university level and is described in Regent Policy 11-F Benefits)

- Merit shall be the prevailing factor in all recommended salary increases. Determinations of merit shall be made by a collegial and consultative process within the primary unit using clearly articulated standards of merit and employing existing primary unit (defined in the glossary) guidelines, including peer review.
- Salary increments shall be used to reward merit defined in terms of systematic, comparative evaluations of teaching and learning facilitation, research and creative work, clinical and/or professional practice, where relevant, and leadership and service and outreach. A unit head recommends a salary increment based upon the weights specified in each faculty member's workload assignment.
- Each campus may implement structural adjustments for market, career merit, salary equity, and promotion, as needed, within the guidelines of the salary policy, always basing such adjustments upon the systematic, comparative evaluation of merit. In keeping with the collegial and consultative process of determining merit increases, the general guidelines and rationale for structural adjustments given in a primary unit shall be made known to its faculty early in the process.
- Primary units may choose to evaluate merit over multiple years (up to five years) in order to reflect ongoing achievements in teaching, research, and leadership and service that may not yield measurable results in any given year. This principle of a rolling measure of merit recognizes that some projects require years to come to fruition and that strongly productive years may coincide with years with low salary pools. This approach produces more equitable and accurate results.

(2) Salary pools (defined in the glossary) may differ from campus to campus. The approved range in the salary pools must include both base-building and any non-base building salary adjustments.

- Academic units that have approved alternative faculty compensation plans shall follow the requirements of those plans. Such plans may differ from the details contained in this policy. However, alternative compensation plans shall uphold the basic principle that merit is the prevailing factor in all recommended salary increases.
- Each campus shall develop a plan for allocation of approved salary levels that provides guidelines for implementing these salary principles. Plans must be developed and implemented in consultation with faculty. Plans must also adhere to adopted principles, but may differ in specifics from campus to campus where those differences are appropriate and justified. Campus plans shall address the processes of determining salaries for the faculty and shall be made available to all campus faculty members.
- Faculty members may be awarded non-base building salary based on merit and in accordance with specific criteria and guidelines approved by the campus chancellor. These increases may be awarded for no more than one academic year at a time; however, they may be renewed in subsequent years. Non-base building increases may take the form of fellowships, awards, etc. The use of non-general funds as the source of such compensation is encouraged. Award criteria and source of funding must be approved in advance by the campus chancellor.
- The university has long recognized non-base building salary increases for extra duties authorized in accordance with defined approval processes in Section H, Additional Pay.

(3) An Open Process. There must be ongoing communication regarding standards of performance for merit increases among faculty members and all administrative (chairs, deans, and campus academic affairs office) levels. All annual merit evaluation standards for faculty members shall be developed in consultation with them and incorporated into primary unit criteria. These standards must identify what level of performance meets professional expectations. Also, annual policy decisions to provide competitive increments or to address relative internal salary position shall be made known to faculty members. Each faculty member shall have access to a copy of the evaluations and recommendations, from all administrative levels, regarding his or her review for a merit increase.

Each campus shall have a salary oversight committee composed of faculty members and administrators. The faculty representatives shall be selected by a method that is mutually agreed upon by campus faculty governance and campus administration. The committee shall examine the salary process on the campus and review salary recommendations -- by category rather than by individual case -- to ensure compliance with this policy. It is the responsibility of this committee to assure that peer ratings of merit are, on the whole, the primary determinants of salary adjustments.

Each campus shall have in place a salary grievance process to which faculty members may turn for review of their individual salaries.

2. Salary Policy

- a. **Salary Adjustments.** The resources for salary increases are dependent on: (1) external decisions, e.g., state funding and; (2) system decisions, based on general principles for allocation to the campuses worked out collectively by the chancellors and the president, subject to approval by the Board of Regents; and (3) internal decisions, e.g., each campus's stated goals for compensation based on analysis of the competing demands for resources among campus priorities.

Each campus wishes to compensate its faculty in a manner that explicitly rewards meritorious performance in teaching, research and creative work, clinical and/or professional practice, where relevant, and leadership and service and in a manner that is competitive with its marketplace (as

fiscal constraints allow). Accordingly, unit heads should provide separate evaluation scores for: instruction and learning facilitation, research and creative work, clinical and/or professional practice, where relevant, and 3) leadership and service and outreach. The evaluation scores should be weighted according to the individual's agreed-upon workload allocation or as assigned in the prior year.

A range for each campus's salary pool increase or decrease shall be developed by the president and campus chancellors and approved by the Board of Regents each spring as part of the ongoing budget process.

Funds for salaries and annual merit increases derive from several sources, including state appropriations, tuition, grants and contracts, endowments, and faculty practice plans. The award of merit increases depends upon the funds available. Increasingly, faculty activities are becoming a major source of those funds.

Notwithstanding any provision of this policy, the chancellor or the president may designate funds to distribute for salary increases for extraordinary merit, equity, market, promotional, title changes, and additional responsibilities (without a title change).

- b. Salary Freezes and Decreases.** When the salary pool is inadequate to provide base salary increases for faculty members, the following options are available to the campuses:

(1) Base salaries may be frozen; or

(2) Base salaries of faculty members may be decreased as follows: (a) simultaneous uniform percentage decreases in the salaries of all faculty members on a campus, or (b) simultaneous uniform percentage decreases in the base salaries of a class of faculty members on a campus such as those of a particular rank, or in a particular department/school, institute, center, or in a particular funding source. When base salaries are to be decreased as described in this section, the campus salary oversight committee shall review the criteria for such differential decreases as part of its normal oversight.

c. Relevant Policies

(1) **Salary Increases Are Merit Based.** Article 11.A.1 of the *Laws of the Regents*, established that salary increases for faculty members are to be given on the basis of the systematic comparative evaluation of merit, and in consideration of each individual's assigned differentiated workload assignment and total contributions to the university.

Adjustments are based on peer evaluations of a faculty member's record in teaching, research/creative work (clinical and/or professional practice, where relevant) and leadership and service.

(2) **Role of Primary Unit, Department Chair, and Dean.** Each primary unit develops and makes available to all faculty members a written statement of criteria for salary increase recommendations.

Because of the dean's and the vice chancellor's roles in the annual salary review process, the criteria used by primary units must be developed in consultation with the dean and the provost/vice chancellor for academic affairs.

Recommendations for merit increases are to be determined by the department. In primary units where a salary committee may make the salary increment recommendations, the chair may submit comments to the dean in addition to the recommendations but may not overrule recommendations of the department or of regularly constituted committees of the department. When a school, college, or library is the primary unit, recommendations for merit increases are to

be determined by the dean in consultation with school, college, or library faculty (who provide the peer review).

Deans also play an important role in the determination of salary increases. According to the *Laws of the Regents* [Article 4.A.2 (C)], deans are responsible for “budgetary planning and allocation of funds,” including recommendations regarding faculty member salary adjustments. As deans are responsible for the overall intellectual health and vigor of their schools, colleges, or libraries through academic planning and budget decisions, they are responsible for ensuring that allocations of merit-based salary increments to individuals and of unit merit funds to units serve the larger academic purposes of the primary unit. Similarly, the provost/vice chancellor for academic affairs and the chancellor have responsibility for ensuring that the overall allocation of salary adjustments to colleges, schools, and libraries serves to benefit the campus as a whole and that the process of annual salary adjustments conforms to this policy.

Campus merit evaluation processes must carefully balance the need to reward extraordinary performance with the need to reward meritorious performance that is the backbone of the university. Campuses should set goals for salary allocations that embody this principle of fairness.

(3) Merit, Market, and Other Factors. While salary increments are given to reward the performance of meritorious individual faculty members, other legitimate considerations may shape the allocation of resources for salary increases to schools/colleges and units in order to further the goals of the campus as a whole.

(a) While campus allocations to primary units should be made on the basis of merit, highly productive units should be more highly rewarded than less productive units, just as highly productive faculty members should be more highly rewarded than less productive faculty members. In order to identify highly productive units for purposes of unit merit allocations, each campus, in a collegial process involving faculty members and administrators, should develop a process for evaluating the merit of academic units, using criteria that assess the contributions of the unit to the campus’s role and mission in the areas of teaching, research and creative work, leadership and service and outreach, and clinical and/or professional practices at appropriate units.

(b) Competitive (market) increments are permitted to units in which there is a significant deviation from the appropriate market reference (as measured by peer group or other relevant indices) and there is evidence that faculty recruitment and retention are adversely affected. These increments may not be given across-the-board to all members of a unit or department, but by rank and discipline, where needed, and always on the basis of merit.

(c) The policy recognizes the balancing concern of relative internal salary position. Care must be taken to ensure that market salary strategies do not lead to the development of basic unfairness in salaries within or across disciplines. Examples of this balancing strategy include but are not limited to special allocations to address structural inequities between and among ranks including:

- (i) allocations to address salary inequities of women, minorities, and other protected classes; and
- (ii) allocations to address compression among meritorious faculty members caused by economic factors.

Other legitimate grounds for salary increases include promotion and periodic review of career merit. Salary differences arising from differences in the merit of performance should be expected, and are not grounds for equity adjustments.

- d. **Implementation.** Implementation of adjustments usually is effective the first day of each fiscal year, which is July 1. For individual increases that equal or exceed twice the percentage of the salary pool -- e.g., 7% or above in a 3.5% campus pool -- explanatory notes are expected to accompany the recommendation.
- e. **Delay in Implementation and/or Mid-Year Salary Adjustment.** For fiscal reasons, a chancellor or the president, for system administration, may decide to delay the implementation of approved salary adjustments to a date certain beyond July 1. Subject to board approval, campuses may implement a mid-year salary adjustment process for additional salary adjustments.
- f. **Salary Increase as a Term of a Retirement Incentive Agreement for Tenure or Tenure-Track Faculty.** Notwithstanding any other term or provision of this policy, the chancellors have limited authority to negotiate a salary increase as a part of an approved retirement incentive agreement for a tenure or tenure-track faculty member.
- g. **Salary Adjustment for an Administrator Returning to a Faculty Position.** The faculty salary of an administrator returning to a faculty position shall be determined by the appointing authority in consultation with the dean of the college and the chair of the unit in which the faculty position is rostered. The appropriate salary shall be based upon the faculty member's academic and administrative experience, expertise, standing in the discipline, and duties the faculty member is expected to perform. The faculty member's salary shall be within the salary range of faculty of the same rank in the academic unit and shall be no higher than the highest salary in the academic unit. The president (or the Board of Regents in the case of a president returning to the faculty) may authorize and approve exceptions to this policy only under the most extraordinary circumstances.
- h. **Additional Pay.** It is recognized that in certain instances additional pay is necessary to the mission of the university due to the breadth of the university's instructional and service programs. In limited circumstances employees may be asked to perform additional work integrated throughout their regular assignment, or work that is at a substantially higher level than their current assignment. In some cases the employee cannot be reasonably expected to maintain their current workload within their normal work hours. Additional pay is most appropriate in those cases in which the employee is working on an assignment outside normal duties. Additional work hours do not count as extra service credit toward retirement; however, such earnings are subject to retirement contributions and deductions as applicable under the appropriate retirement plan.

Additional pay to employees providing services, on an overload basis or outside their normal duties, must be determined by the department head and other appropriate administrative officials, and approved according to campus policies and processes. Departments are encouraged to provide release time, when feasible, in lieu of additional pay when an overload assignment is necessary. All recommendations for additional pay must be accompanied by documentation of the nature of the overload assignment and summary of the employees' current responsibilities.

Additional pay from appointments involving two or more departments/units requires approval from all departments/units involved. All recommendations must be submitted in advance to permit time for review and approval. In no case should an employee be paid additional pay that was not pre-approved.

(1) **Extra Work Outside of Regular Duties.** Additional pay for extra work outside of a full-time faculty member's regular duties may be authorized in writing by the supervisor and dean of the faculty member's primary unit for the following:

- Overload teaching
- Continuing education teaching
- Summer school teaching
- Intersession teaching

- Summer sponsored research, and
- Institutional agreements as per a contract or grant.

(2) **Administrative Stipend.** A faculty member who has an administrative appointment or compensatory duties outside the scope of the primary position's scope of responsibilities may qualify for an administrative stipend with written approval by the supervisor and dean of the faculty member's primary unit, and as may be required by the chancellor or president. Examples include:

- University leadership and service, such as department chair or faculty governance; and
- Significant workload increase, leadership, or supervisory responsibility such as Executive MBA stipend.

(3) **Fellowships, Grants and Awards.** Faculty fellowships and grants, and recognition and achievement awards constitute other forms of additional pay.

GLOSSARY OF TERMS FOR THE UNIVERSITY OF COLORADO'S SALARY POLICY FOR FACULTY

Additional Pay

Additional pay is a non-base building increase to salary authorized when an overload assignment is necessary to carry out the responsibilities of the university and the employee's normal workload cannot be adjusted to permit the proposed work to be done as part of their regular duties. Administrative stipend, faculty fellowships and grants, and recognition and achievement awards constitute forms of additional pay.

Administrative Stipend

An administrative stipend is a form of additional pay authorized to be added to annual salary, either monthly or as a single amount, for additional duties or services the employee provides outside the primary position's scope of responsibilities. Administrative stipends are time-specific and shall not continue beyond the termination of the additional administrative duties.

Career Merit

Merit is the constant principle on which salary increases are made, but, because the salary pool varies from year to year, the actual "reward" that a faculty member gains for meritorious performance can vary from year to year. Two faculty members who begin with the same salary and who have equally productive records could find themselves, after 5 or 10 years, with different salaries simply due to variations in the merit pool from one year to the next and the timing of their productivity. Evaluations using career merit allow a unit to remedy any inadvertent discrepancies caused by the vicissitudes of budgets and timing.

Equity

The university is committed to equity for minorities and women and has followed a practice of periodic reviews of the salary profiles of these groups compared to others. Each campus also now has a process for reviewing the salary grievances of individual faculty to ensure equitable evaluation of merit.

Market Increments

Market increments are increases in salaries given to departments and/or individuals to match significant competitive changes in the salary available to members of a particular discipline or specialty at comparable institutions. At times, shortages drive up the salaries of specialists in a field; in order to keep valued faculty in these fields and maintain quality at the university, market increments are provided.

Merit

Merit is the historical basis for all salary increases at the University of Colorado. Peer evaluation of faculty performance in the areas of teaching, research/creative work, and leadership and service forms the basis

for merit increases. Salary adjustments or increases that take into account market, career, equity, or structural factors must be simultaneously based on merit.

Non-Base Building Salary

Non-base building salary, authorized as additional pay, may come in the form of a stipend, fellowship, grant or award. Like other types of salary, it must be granted on the basis of merit. Non-base building salary may be authorized if funds are available and for no more than one year at a time. Recipients may be eligible to receive non-base building salary in subsequent years, but the university is under no obligation to renew the award. The use of non-general funds as the source for such salary is encouraged. Campuses that provide non-base building salary must develop specific guidelines with criteria for such awards. Criteria and sources of funds must be approved in advance by the chancellor. Non-base building salary is one of the university's strategies to increase resources for the faculty.

Primary Unit

Primary unit refers to the unit composed of professional colleagues having authority to make personnel recommendations. In schools, colleges, or libraries with departmental organizations, each department will constitute a primary unit. In a school, college, or library without such organization all tenured and tenure-track faculty members shall have responsibility for developing the terms of their working structure whereby the primary unit is defined.

Salary Adjustments

Salary adjustment refers to either increases or decreases in salaries.

Salary Pool

The term salary pool refers to the maximum average percentage increase in salary approved by the Board of Regents.

Structural Adjustments

Structural adjustments are granted to whole units or categories of faculty when it is determined that the entire structure of salaries is out of alignment. For example, salary compression for senior faculty could lead to the decision to make structural adjustments to the salaries of full professors.

(Former Regent Policy 11-E 401(a) Optional Retirement Plan for Faculty and Unclassified Staff, adopted 8/20/92 was rescinded on 05/19/09 as the provisions have been incorporated into new Regent Policy 11-F. Benefits. As part of the 05/19/09 resolution, the board authorized staff to reformat and renumber the sections contained in Policy 11. This policy is now listed at Policy 11-B.

New Regent Policy 11 regarding Faculty Salary, approved 05/19/09:

- Replaces and incorporates the provisions of Regent Policy 11-F-2 Compensation Principles and Policy for Faculty and Glossary, adopted 8/8/96; rescinded on 05/19/09.
- Replaces and incorporates the provisions of Regent Policy 11-F-2 Addendum to Compensation Principles and Policy for Faculty, adopted 8/12/04; rescinded on 05/19/09.
- Replaces and incorporates the provision of additional pay for extra work contained in Regent Policy 5-D Additional Remuneration For Extra Work, adopted 11/3/05; rescinded on 05/19/09.
- Incorporates the provision for faculty salary computation for a faculty member ending an administrator appointment and returning to a faculty appointment contained in Regent Policy 3-I. Compensation for Administrative Officers Returning to AY Faculty Positions, revised 6/2/04.)

History: Approved 05/19/09; revised 04/29/14

POLICY 11: COMPENSATION

11-C UNIVERSITY STAFF SALARY

1. Introduction

University staff contribute significantly to the success of the university. Colorado law and state personnel rules provide for classified staff compensation. State law further allows the university to manage compensation¹ for university staff who are neither faculty nor classified staff and who provide leadership, management, program development and implementation, and support services for the university's administrators, faculty, staff, students, and visitors. Therefore, the university has considerable flexibility in the designation of work, recruitment, and compensation of university staff. The university expects superior performance and productivity from these employees and, thus, needs appropriate ways to compensate initially and then to reward and recognize meritorious performance to assure its ability to compete for and retain the most able professionals. Under state law university staff are "at-will" employees unless an officer or university staff has been awarded a term contract as permitted by state law and authorized by the Board of Regents (board).

As the major component of compensation, salary levels for university staff reflect the university's policy of providing base salaries comparable to those paid by institutions of similar enrollment, organization, and financial support to persons in positions of comparable responsibility. Salary allocations also take into account differences in the scope of responsibilities of university personnel and typical positions of similar title in other institutions. Where relevant, comparisons are made with salaries in government and business.

The university wishes to compensate university staff in a manner that is competitive in the marketplace and that rewards meritorious performance within fiscal limits.

Benefits are covered in Regent Policy 11-F. This section covers direct compensation to university staff by salary.

2. Initial Salaries

- a. Salary Range.** Initial salaries must be within a range specified at the beginning of the search process. Exceptions are permitted in extraordinary circumstances with appropriate approvals.
- b. Approval of Initial Salary.** The hiring authority recommends initial salaries for university staff consistent with market conditions, education and experience of the individual, and pay of individuals in comparable positions. The president or his/her delegee approves the appointments and recommended initial salaries as stipulated in Regent Policy 2-K, Personnel Authority for Employees Exempt from the State Personnel System.
- c. Hiring Incentives.** On occasion when documented recruitment issues arise, hiring authorities may request approval by the chancellor or president to offer a hiring incentive.² Such incentives are typically offered to new employees moving from out of state who need to cover unreimbursable moving expenses such as housing down payments. The amount of the hiring incentive is subject to the approval of the chancellor or president as delegated in regent policy, but should be considered in light of budgets and reasonable and customary practices.
- d. Interim Appointment Salary.** Initial salaries for employees serving in an interim capacity will be recommended by the hiring authority consistent with market conditions, education and experience, the person's salary history, comparable positions and approved budget and will be subject to the regular approval process.

An increase or stipend³ for serving in an acting or interim role is not required but may be authorized. Upon completion of service in the acting or interim capacity, the employee's salary

will return to the former standard appointment salary including any changes resulting from the annual compensation process.

Employees in interim positions may have the salary associated with their standard appointment (i.e., base salary) adjusted during the annual salary setting process. The additional salary associated with the interim position would then be recalculated and/or added to the adjusted salary for the standard appointment.

3. Annual Performance Rating, Planning, and Evaluation

Annual performance evaluations are a critical component of the annual salary setting process. University staff must be evaluated annually. Under the Colorado Open Records Act, "performance ratings" are public documents. Supporting documents used in the evaluation process and as a justification for the rating are not considered public records.

The underlying justification for the performance rating and any related recommended salary adjustment is the evaluation or assessment and is the result of performance planning and evaluation conducted between supervisor and individuals. Such planning should link individual goals to organizational goals and may include provisions for coaching by the supervisor.

If applicable, the performance plan and evaluation of university staff who supervise other staff, including classified staff, must include a criterion or factor for the completion of annual performance evaluations of supervised employees. This criterion or factor serves to evaluate supervisors on their timely completion of annual performance evaluations for staff in compliance with State law and university policies.

Tenured faculty whose principal appointment (and salary) is as an officer or university staff should be evaluated within the context of the administrative peer group.

4. Salary Adjustments

- a. The university administers an annual process for salary adjustments⁴ that ordinarily are implemented on July 1. As part of the annual salary adjustment process, each campus and system administration will develop an annual salary pool to determine the budget for salary adjustments and a salary plan to allocate that budget. Merit adjustments must be within the annual salary pool.

(1) **Annual Salary Pool.** The size of the annual salary pool depends on: (a) external decisions, e.g., the general fund appropriation (allocated in the Long Bill), legislatively established caps on tuition rates, and the CCHE allocation formula; (b) university-wide decisions, e.g., general principles for allocation to the campuses developed jointly by the chancellors and the president, subject to board approval; and (c) campus decisions, e.g., campus's goals for salary adjustments based on analysis of the competing demands for resources among campus priorities.

(2) **Salary Allocation Plan and Report.** Each campus and the system administration shall develop a plan, consistent with this policy, to be followed at every organizational level. The plan must include a merit-driven process to guide individual salary decisions. Annually, each campus and system administration will provide a report to the board on the previous twelve months' implementation of their salary allocation plan.

Details on the implementation of the annual salary process for university staff are provided in the "Compensation Guidelines" distributed to the campuses and system administration each year.

- b. **Annual Salary Adjustment Categories.** There are two general categories of possible annual salary adjustments that are defined, below. Some of these categories are applicable beyond the annual salary adjustment process. Campuses and the university system office have discretion

within the salary pool to distribute salary increases within these categories as appropriate. Except as specified below, these adjustments must be within the annual salary pool.

(1) **Base Salary Adjustments.** The adjustments listed below increase or decrease the base salary.⁵

(a) **Merit Increase or Decrease.** Usually, merit adjustments to base salary ordinarily will be implemented on July 1 and will be allocated from the annual salary pool.

In allocating adjustments from the annual salary pool, methods must be developed to assess an individual's merit in relation to a relevant internal peer group. The assessment must lead to differentiation in recommended salary adjustments, even among a group of meritorious employees. Performance planning and evaluation must be the basis for determining merit adjustments.

(b) **Equity Increase.** Equity adjustments to base salary ordinarily will be implemented on July 1 and will be allocated from the annual salary pool. Equity increases are based on internal or external comparisons but are typically used for internal equity purposes. Appropriate reasons for equity increases include comparison of a long-time employee to a new hire, gradual increase in position responsibilities leading to higher level position comparisons, and gender/race salary equity. Equity increases must be appropriately reviewed, approved, and documented through established campus processes.

(c) **Market Increase.** Market increases are permissible only if they are awarded in the context of meritorious performance. Market increases must be justified through an appropriate market analysis, periodically or annually, and properly documented. In providing market increases, particular attention should be given to evidence regarding problems of recruitment and retention. Market increases should not result in inequities among employees.

In general, market increases should be part of the annual salary setting process and not conducted during the year. In rare cases, particularly for retention reasons in highly skilled fields, it may be necessary to conduct market analyses outside the annual process. In such cases, if funds are available, particularly from non-state sources, increases may be made outside the annual pool.

(d) **Promotion.** Promotions typically include salary changes. The salary change may include an increase to the base salary for employees whose level of responsibility has significantly and permanently increased. Such changes do not necessarily occur during the annual salary setting process. Regardless of whether the promotion occurs within or outside the annual process, these salary changes are not subject to the salary setting pool.

(e) **Decreases Across-the-Board or By Category.** Due to budget constraints or fiscal emergencies it may be necessary to conduct across-the-board base salary decreases. Such decreases may occur across all positions for certain personnel groups or by title. Typically, such decreases may be department, job title/group, or campus based and not prescribed across the university. If the board determine it has become necessary to take such action, chancellors and the president must ensure that the process is clearly communicated and administered within legal and administrative parameters.

(2) **Non-base Building Salary Payments.** In general, employees receive base building salary increases for meritorious performance. However, in some circumstances it is appropriate to provide other non-base building salary payments.⁶ Non-base building salary payments are to be used only in limited circumstances and must be properly approved and documented. The president will establish a policy for approval of criteria for non-base building salary payments. Officers are only eligible for non-base building salary upon approval by the board upon the

recommendation of the president. Implementation of these salary payments must be consistent system-wide with regard to taxation, retirement, and other benefits.

(a) **Merit Incentive Pay.** Non-base building merit pay is typically paid after the annual performance evaluation process; it is not included in the annual salary setting pool.

Non-base building merit pay, "incentive pay," is allowable only as a result of an employee reaching established performance goals and typically is for employees with highly focused and measurable responsibilities. The goals must have measurable and unambiguous outcomes and directly link the individual's performance to the success of the organization.

Eligibility for incentive pay is often tied to net revenue-generating criteria. Incentive pay is allowed only when the unit budget is sufficient to handle such payments (e.g., significant revenue). Thus, in limited circumstances (e.g., athletic and clinical departments) university staff may be eligible for individual or group programs when such programs are established according to university administrative policy. Results of merit incentive programs must be provided in the campus and system annual salary reports to the board.

(b) **Recognition Awards.** Recognition awards are typically not included in the annual salary setting process and may occur throughout the year according to university fiscal rules and administrative policies. Cash recognition awards are paid as lump sum payments. Such payments are not intended as significant compensation but as recognition for outstanding service in a particular area (e.g., customer service) or performance on a specific project or event.

(c) **Project Completion Incentives.** Similar to non-base building merit pay, special limited-term project completion incentives are subject to administrative policy. Such incentives occur only for special projects that provide unique opportunities and challenges (e.g., large building projects and information technology implementations) and when it is critical to retain key personnel during the project. These incentives are paid upon completion of established criteria as directed in administrative policy. The criteria may allow for periodic payments as significant project steps are completed and/or upon final project completion. These incentives must be included in system and campus annual salary reports to the board.

c. **Delay in Implementation of Annual Salary Adjustments.** For fiscal reasons, a chancellor or the president, for system administration may decide to delay the implementation of approved salary adjustments to a date certain beyond July 1; and/or subject to board approval, may implement a mid-year salary-setting process for additional salary adjustments effective January 1. Typically such delays are planned during the annual salary setting process and are included in the system and campus salary plans.

d. **Salary Adjustments Outside the Annual Process.** Salary increases are typically given on July 1. Salary increases at other times during the year are discouraged except for reasons stated, above. If exceptional instances arise, such as substantial increases in responsibility, promotion, or a bona fide and documented external employment offer, increases may be granted. Increases outside the annual process must be given only in the cases of meritorious performance.

The authority to approve salary increases for campus employees at times other than the annual process is delegated to a chancellor and to the president, for system employees, subject to the provisions of Regent Policy 2.K. Such increases must be included in the system and campus annual salary report.

e. **Additional Pay.** It is recognized that in certain instances additional pay⁷ is necessary to the mission of the university due to the breadth of the university's instructional and service programs. In limited circumstances employees may be asked to perform additional work integrated with their regular assignment or at a substantially higher level than their current assignment. In some cases

the employee cannot be reasonably expected to maintain their current workload within their normal work hours. Additional pay is most appropriate in those cases in which the employee is working on an assignment outside normal duties and schedule. Additional work hours do not count as extra service credit toward retirement; however, such earnings are subject to retirement contributions and deductions as applicable under the appropriate retirement plan.

Additional pay to employees providing services, on an overload basis or outside their normal duties, must be determined by the department head and other appropriate administrative officials and approved according to campus policies and processes. Departments are encouraged to provide release time, when feasible, in lieu of additional pay when an overload assignment is necessary. All recommendations for additional pay must be accompanied by documentation of the nature of the incremental assignment and summary of the employees' current responsibilities.

(1) **Extra Work Outside of Regular Duties.** Additional pay for extra work outside a full-time university staff's regular duties may be authorized in writing by the employee's supervisor for the following:

- Overload teaching
- Continuing education teaching
- Summer school teaching
- Intersession teaching
- Summer sponsored research, and
- Institutional agreements as per a contract or grant.

University staff that are asked or elect to teach generally shall do so outside their normal work hours. A faculty appointment is needed to document this additional assignment.

Additional salary from appointments involving two or more departments/units requires approval from all departments/units involved. All recommendations must be submitted in advance to permit time for review and approval. In no case should an employee be paid additional salary that was not pre-approved.

(2) **Administrative Stipend.**⁸ An officer or university staff who has an administrative appointment, significant workload increase, leadership, supervisory or compensatory duties outside the primary position's scope of responsibilities may qualify for an administrative stipend with written approval by the supervisor and as may be required by the chancellor or president in accordance with Policy 2-K.

(3) **Awards.** Recognition and achievement awards constitute other forms of additional pay.

- f. **Supplemental Pay.** Housing allowances, automobile allowances, and use of courtesy cars authorized by the president or Board of Regents constitute forms of supplemental pay.

History: The term "officer and exempt professional" was replaced with the term "university staff" effective April 17, 2015.

Former Regent Policy 11-C Deferred Compensation Prohibited adopted 8/22/91 was rescinded and reissued as new Regent Policy 11-D. Deferred Compensation Prohibited on 05/19/09. New Regent Policy 11-C Exempt Professional Salary was adopted 05/19/09. New Policy C replaces and incorporates the provisions of former Regent Policy 11-F.1 Salary Plan for Officers and Exempt Professionals, revised 5/27/03. New Policy C also replaces and incorporates the provisions of former Regent Policy 11-B Performance Rating, Planning, and Evaluation, adopted 11/20/86.

¹ Compensation refers to wages and other financial benefits earned from employment.

² Hiring incentives are lump sum amounts that are paid at the beginning of an appointment.

³ A stipend is a form of additional pay added to annual compensation for duties or services the employee provides outside the primary position's scope of responsibilities. An administrative stipend for an interim or acting appointment is generally computed as not more than 10% of the employee's standard appointment salary.

⁴ Salary adjustment may be an increase or decrease in salary.

⁵ Base salary is not subject to annual renewal nor is it contingent upon funding or performance.

⁶ Non-base building salary payments do not continue from year to year; they are only given within the fiscal year.

⁷ Additional pay is a non-base building increase to salary authorized when an incremental assignment is necessary to carry out the responsibilities of the university and the employee's normal workload cannot be adjusted to permit the proposed work to be done as part of their regular duties. Administrative stipend, and recognition and achievement awards constitute forms of additional pay.

⁸ An administrative stipend is a form of additional pay authorized to be added to annual salary, either monthly or as a single amount, for additional duties or services the employee provides outside the primary position's scope of responsibilities. Administrative stipends are time-specific and shall not continue beyond the termination of the additional administrative duties.

Regent Policies

POLICY 11: COMPENSATION

11-D DEFERRED COMPENSATION PROHIBITED

Deferred compensation is prohibited as a form of compensation for employees of the university, except as may be approved for multi-year contracts by the Board of Regents.

(Former Regent Policy 11-B Performance Rating, Planning, and Evaluation, was adopted 11/20/86; rescinded 05/19/09 as the provisions have been incorporated into new Regent Policy 11-C Exempt Professional Salary. Former Regent Policy 11-C Deferred Compensation Prohibited was adopted 8/22/91 and revised as Regent Policy 11-B Deferred Compensation Prohibited on 05/19/09. As part of the 05/19/09 resolution, the board authorized staff to reformat and renumber the sections contained in Policy 11. This policy is now listed at Policy 11-D.)



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BOARD OF REGENTS

11. COMPENSATION

Policy 11.E: Leave Policies for Faculty and Staff

11.E.1 Vacation

(A) Nine-Month Faculty

- (1) **Accrual.** Nine-month faculty on academic appointments do not accrue vacation leave.
- (2) **Compensation.** N/A.

(B) University Staff and Twelve-Month Faculty

- (1) **Accrual.** Full-time university staff and faculty on twelve-month appointments are eligible to receive twenty-two (22) working days (176 hours) of paid vacation annually, earned as 14.67 hours per month. An eligible employee who works part-time (less than 100%) accrues vacation on a prorated basis. Eligible employees on leave without pay, except for military leave without pay and furloughs, do not accrue vacation leave. Vacation accrual may not exceed forty-four (44) days (352 hours) on July 1 of every year.
 - (a) For Fiscal Year 2020-21, at the discretion of the president for system administration employees, or the chancellor for employees of the relevant campus, which discretion may be delegated, employees who have been unable to take vacation due to the COVID-19 public health emergency may accrue and carry more than forty-four (44) days of vacation leave as of July 1, 2020 through July 1, 2021. The administration may adopt policies to implement this subsection (a) but this subsection (a) shall be repealed without further action as of July 1, 2021.
- (2) **Compensation.** Direct compensation is not provided in lieu of use of earned vacation. Upon retirement or termination of employment, not including transfers or intent to be rehired at CU within thirty (30) days, direct payment is made in the equivalent amount of the employee's earned unused vacation time up to a maximum of forty-four (44) days (352 hours) per separation from employment from the university. Vacation payout will be calculated at the employee's compensation rate at the time of each separation from employment.

- (a) For business needs, a campus may create a policy to pay all or a portion of the vacation accrual, up to the maximum of forty-four (44) days (352 hours), without formal separation from the university. The campus policy must include eligibility criteria, funding sources, and maximum leave payout.

(C) Classified Staff

- (1) Leave benefits for classified staff are governed by the State of Colorado Personnel Board Rules.

11.E.2 Sick Leave

(A) Nine-Month Faculty

- (1) **Accrual.** Sick leave benefits shall be available to faculty on nine-month appointments. Nine-month faculty on a 100% appointment will accrue eleven (11) days (88 hours) of sick leave annually, beginning on the first day of their eligible appointment. Eligible faculty who are on a part-time (less than a 100%) appointment accrue sick leave on a prorated basis. Eligible faculty on leave without pay, except for military leave without pay and furloughs, do not accrue sick leave.
- (2) **Compensation.** No compensation for unused sick leave shall be paid upon separation from employment with the university.

(B) University Staff and Twelve-Month Faculty

- (1) **Accrual.** Full-time university staff and faculty on twelve-month appointments are eligible to receive fifteen (15) working days (120 hours) of paid sick leave annually, earned as 10 hours per month. Accrual begins on the first day of eligible appointment. Eligible employees who are on a part-time (less than 100%) appointment accrue sick leave on a prorated basis. Employees on leave without pay, except for military leave without pay and furloughs, do not accrue sick leave.
- (2) **Compensation.**
 - (a) Unused, accrued sick leave may be compensated when the employee separates from employment with the university and meets the age and service eligibility requirements for University of Colorado's Post-Retirement Benefits, per Board of Regent Policy 11.F.3.
 - (b) Once the sick leave compensation is paid, the employee's remaining accrued sick leave balance will be removed, leaving the accrued sick balance at zero hours. An employee is eligible for sick leave compensation one time only, unless the employee rescinds their retirement with both CU and their respective retirement vendor and is subsequently employed in a leave-eligible position, in which case the

eligible sick leave compensation will again be paid upon separation from the university.

- (c) If an employee dies while actively employed, the spouse or estate will be compensated.
- (d) The employee's maximum sick leave accrual for purposes of compensation is 120 days (960 hours). The maximum compensation payout is 30 days (240 hours), which is $\frac{1}{4}$ of the employee's maximum sick leave accrual, except as noted below. If an employee's sick leave accrual balance is less than 120 days (960 hours), the compensation payout is $\frac{1}{4}$ of the balance the employee has accrued.
 - (i) For university staff and faculty on twelve-month appointments, accruals for the purpose of the maximum sick leave compensation will be based upon documented departmental sick leave records verified as of May 1, 2001.
 - (ii) Any employee whose documented accrued sick leave was in excess of 120 days (960 hours) on May 1, 2001, will use the entire accrued balance as of May 1, 2001, to identify their maximum sick leave accrual for purposes of compensation. These employees will be eligible to receive compensation payment for one-fourth ($\frac{1}{4}$) of any unused portion of the accrued balance.
- (e) Sick leave payment will be calculated at the employee's compensation rate at the time of each retirement-eligible separation from the university or upon death.

(C) Classified Staff

Leave benefits for classified staff are governed by the State of Colorado Personnel Board Rules.

(D) All Other Faculty on Contracts (including student faculty)

- (1) All other faculty and student faculty on a 100% appointment shall be eligible for three (3) days (24 hours) of sick leave per semester but no more than nine (9) days (72 hours) annually. Accrual begins on the first day of eligible appointment. An eligible employee who works part-time (less than 100%) accrues sick leave on a prorated basis. Employees on leave without pay, except for military leave without pay and furloughs, do not accrue sick leave.
- (2) Accrual may not exceed six (6) days (48 hours) on July 1 of every year.

- (3) Up to six (6) days (48 hours) of accrued sick leave may be carried over from year to year. C.R.S. § 8-13.3-403(3)(b).
 - (4) Compensation. No compensation for unused sick leave shall be paid upon separation from the university.
- (E) All other Paid Employees (including non-contract temporary and student hourly employees)
- (1) Other employees paid monthly or hourly are eligible to accrue 0.034 hours of sick leave for every hour worked. Accrual begins on the first day of eligible appointment. An eligible employee who works part-time (less than 100%) accrues sick leave on a prorated basis. Employees on leave without pay, except for military leave without pay and furloughs, do not accrue sick leave.
 - (2) Accrual may not exceed six (6) days (48 hours) on July 1 of every year.
 - (3) Up to six (6) days (48 hours) of accrued sick leave may be carried over from year to year. C.R.S. § 8-13.3-403(3)(b).
 - (4) Compensation. No compensation for unused sick leave shall be paid upon separation from the university.

11.E.3 Other Types of Leave

The president may establish additional types of leave as determined by federal and state law or as deemed necessary for specific employment classifications. Examples include: court and jury leave, military leave, bereavement leave, leave for job-related illnesses and injuries, leave without pay, parental leave, administrative leave, leave sharing and furloughs.

11.E.4 Verification of Leave Accruals and Recording Leave Usage

- (A) Each employee and supervisor is responsible for maintaining accurate and complete vacation and sick leave records within their department or unit. These records will be used to verify leave benefits involved in termination, retirement, or transfer. This record must accompany termination documents for payment of annual leave and sick leave if eligible for retirement.
- (B) Each supervisor is responsible for ensuring that these policies for vacation, sick leave, and other leaves are applied in a consistent manner and in consultation with appropriate human resources personnel, where necessary, to achieve substantial uniformity across all campuses of the University of Colorado.

History:

- Adopted: May 9, 2002 - Regent Policy 11.H - Leave Policies.

- Revised: May 19, 2009. The current revisions incorporate the provisions of Regent Policy 11.J - Parental Leave for Faculty, Officers and Exempt Professionals, recommended for rescission. As part of the May 19, 2009 resolution, the board authorized staff to reformat and renumber the sections contained in Regent Policy 11. The policy was renumbered as Policy 11.E; April 17, 2015 - The term “officer and exempt professional” was replaced with the term “university staff”; April 2, 2020 - An interim provision to 11.E.1(B)(1) was approved on May 19, 2020, and will be repealed on July 1, 2021; April 8, 2021 and made retroactive to January 1, 2021.
- Last Reviewed: April 8, 2021.

POLICY 11: COMPENSATION

11-F BENEFITS

1. Non-Salary Benefits

The university provides compensation beyond salary for eligible employees in the form of benefits. The university strives to maintain a competitive total compensation package through peer and market reviews within the constraints of budget and legislative mandates. Benefits are authorized through the Board of Regents and include group insurance programs, such as medical, dental, life, and disability, and other benefits like flexible spending, paid leave, and retirement savings plans. New and revised university benefit programs, including eligibility, must be approved by the Board of Regents.

For university employees who are members of the state personnel system (classified staff), benefits and eligibility are defined in accordance with state laws and Department of Personnel and Administration (DPA) rules. Eligible classified staff have the option of enrolling in benefit plans that are approved by the DPA or selected university benefit plans.

The university through its payroll system offers employees the opportunity for payroll deduction for approved services and organizations. Such deductions must be approved through university and/or state policy.

2. Retirement Plans and Savings Programs

Eligible employees shall be enrolled in a retirement program as provided by applicable state plan or as authorized by the Board of Regents. State and university retirement plans are contributory. The employer and employee levels of contribution to the retirement plans are subject to change and limitations set by federal tax law.

a. Classified Staff (employees who are in the state personnel system):

(1) Eligible classified staff enroll in the state's PERA retirement plan, a mandatory defined benefit plan.

(2) Eligible classified staff may also choose to participate in the following voluntary tax-deferred investment programs where contributions and any earnings grow tax-deferred until the money is withdrawn, usually at retirement.

(a) 403(b) Plan: The 403(b) tax-deferred savings program is a university-sponsored deferred compensation plan to supplement an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.

(b) 457 Plan: The 457 Plan is a State of Colorado-sponsored deferred compensation program to supplement an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.

(c) PERA's 401(k) Plan: The PERA 401(k) Plan is a voluntary employee tax-deferred salary reduction plan wherein the participant invests a portion of salary before taxes in a choice of investments, while reducing the employee's current taxable income.

b. Faculty and University Staff (employees who are exempt from the state personnel system):

(1) Eligible faculty and university staff enroll in the university's board-approved and IRS-qualified 401(a) Optional Retirement Plan (ORP). The 401(a) ORP is a defined contribution (money purchase) retirement plan. Plan contributions are invested, at the direction of the participating

employee, with one or more fund sponsors in one or more funding vehicles available to the participating employee under the ORP.

Faculty and university staff enrolled in PERA who transfer into a position eligible for the ORP must make a one-time irrevocable enrollment decision to remain in PERA or enroll in the ORP.

(2) Eligible faculty and university staff may also choose to participate in the following voluntary tax-deferred savings programs where contributions and any earnings grow tax deferred until the money is withdrawn, usually at retirement.

(a) 403 (b) Plan: The 403(b) university-sponsored deferred compensation plan savings program that supplements an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.

(b) 457 Plan: The State of Colorado-sponsored deferred compensation 457 Plan that supplements an existing retirement plan by saving and investing before-tax dollars through voluntary salary reduction.

The Board of Regents maintains responsibility for the number and types of investment options as well as for the amount of employee and employer contribution levels for the ORP. In addition, the board maintains responsibility for defining retirement plan eligibility. The administrative duties including management of vendor contracts and employee enrollment processes are carried out by the university's plan administrator.

3. Age and Years of Service Requirements for Post-Retirement Benefits

a. Classified Staff and Other University Employees Enrolled in the PERA Retirement Plan

The combined years of service and age requirements for service retirement benefits are governed by PERA in accordance with Title 24, Article 51 of Colorado Revised Statutes and the Rules of the Colorado Public Employees' Retirement Association (visit the PERA website at: <http://www.copera.org/PERA/active/benefits/serviceretirement.stm>).

b. Faculty and University Staff Enrolled in the ORP

The age and years of service requirements for normal retirement and early retirement as applicable to the university's contribution to insurance benefits for faculty and university staff are contained in Tables I and II below.

If the combined age and years of CU service for a faculty or university staff enrolled in the ORP fall under Table I, that individual is eligible for normal retirement and is entitled to receive 100% of the University of Colorado contribution towards retiree insurance benefits upon retirement. If the age and years of service at CU meet the minimum years required for early retirement under Table II, the individual is eligible for early retirement, and the University of Colorado contribution will be pro-rated based on the actual years of CU service divided by the required years of CU service for normal retirement and full contribution. Years of service will include all years in which the employee worked 50% time or greater at the University of Colorado.

Table I: Age and Years of Service Requirements for Normal Retirement

Age at Retirement	Minimum Years of Service
70+	5
69	6
68	7

67	8
66	9
65	10
64	11
63	12
62	13
61	14
60	15
59	16
58	17
57	18
56	19
55	20

Table II: Age and Years of Service Requirements for Early Retirement

- 5 years of service at age 65+
- 6 years of service at age 64
- 7 years of service at age 63
- 8 years of service at age 62
- 9 years of service at age 61
- 10 years of service at age 60
- 11 years of service at age 59
- 12 years of service at age 58
- 13 years of service at age 57
- 14 years of service at age 56
- 15 years of service at age 55

4. Early Retirement Incentives Programs

- a. Retirement Incentive Agreements for Tenure and Tenure-Track Faculty.** For the purpose of determining eligibility for a specific retirement incentive program for tenure and tenure-track faculty, such as a phased retirement program, the age plus years of service requirements may be reduced to total no less than 65 if the faculty member is at least 50 years of age upon retirement.

Also, tenure and tenure-track faculty may count years of service at other higher education institutions (employment of 50% time or greater) in determining whether the age plus years of service requirement is met if: (1) the faculty member will have been employed at the university for a minimum of five years prior to the retirement date in the retirement incentive agreement; and (2) the faculty member was age 55 or greater on the first date of employment at the university.

- b. Individualized Retirement Incentive Programs.** The president is authorized to develop retirement incentive options in addition to phased retirement programs for faculty, including a “window program” and an “individualized retirement incentive program.” In a window program, employees in an identified group who meet a specified combination of age and years of service would be eligible for a separation incentive. In an individualized retirement incentive program, an incentive, drawn from a menu of options tailored to the individual employee, would be offered to the employee. These options are considered perquisites under State Fiscal Rules, and the Board of Regents authorizes the president to seek necessary approvals from the governor and the state controller to implement such options.

History: The term “officer and exempt professional” was replaced with the term “university staff” effective April 17, 2015.

New Regent Policy 11-F Benefits, adopted 05/19/09:

- Replaces and incorporates the provisions of Regent Policy 11-D Qualified Retirement Plan, adopted 2/20/92; rescinded on 05/19/09.
- Replaces and incorporates the provisions of Regent Policy 11-E 401(A) Optional Retirement Plan for Faculty and Unclassified Staff, adopted 8/20/92; rescinded on 05/19/09.
- Combines Benefits section from Regent Policy 11-F-2 .Compensation Principles and Policy for Faculty, adopted 8/8/96 and last amended on 5/11/07; rescinded on 05/19/09.
- Replaces and incorporates the provisions of Regent Policy 11-F-2. Addendum to Compensation Principles and Policy for faculty, adopted 8/4/02, relating to retirement incentive agreements for tenure and tenure-track faculty; rescinded on 05/19/09.
- Replaces and incorporates the provisions of Regent Policy 11-I Age And Years Of Service Requirements For Faculty, Officers And Exempt Professionals Who Are Not Retiring With Public Employees Retirement Association (PERA) Retirement, adopted 8/12/04; rescinded on 05/19/09.
- Clarifies that in accordance with the *Laws of the Regents*, Article 11. Compensation, classified staff have the option of enrolling in benefit plans that are approved by the state Department of Personnel and Administration or selected university benefit plans.
- Replaces Regent Policy 11-F.3 University of Colorado System Performance Pay Program, adopted 2/24/05; rescinded on 05/19/09 and reissues as new Regent Policy 11-G Performance Management Program for Classified Staff, adopted 05/19/09.