ADMINISTRATIVE POLICY STATEMENT

Policy Title: Compensation Changes

APS Number: 5061

APS Functional Area: HUMAN RESOURCES

Brief Description: To provide information on allowed compensation changes

Effective: September 1, 2019 (Pending)

Approved by: President Bruce D. Benson (Pending)

Responsible University Officer: Vice President for Academic Affairs and Vice President of Administration

Responsible Office: Office of the Vice President for Academic Affairs and Vice President of Administration

Policy Contact: Office of the Vice President for Academic Affairs and Vice President of Administration

Supersedes: N/A

Last Reviewed/Updated: September 1, 2019 (Pending)

Applies to: Faculty and university staff

Reason for Policy: To ensure the university is able to compete and retain the most able professionals, the university needs appropriate ways to make compensation changes to reward and recognize performance outside of the merit process. This policy does not include compensation for intellectual property, including royalties from MOOCs, inventions, or license agreements. Hiring incentives for university staff are outlined in Regent Policy 11.C.1.c.

I. INTRODUCTION

University faculty and 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 compensation for university staff and faculty who are not classified staff and who provide leadership, management, program development and implementation, and support services. Therefore, the university has considerable flexibility in the designation of work, recruitment, and compensation of faculty and university staff.

II. POLICY STATEMENT

A. Base building salary adjustments outside of merit

A salary adjustment may be an increase or decrease in salary. Such changes do not necessarily occur during the annual merit salary setting process. However, if implemented at that same time as the annual merit salary setting process, they may be allocated and reported separately from the merit plan. All base building salary adjustments must be requested in writing and submitted for approval in accordance with Policy 2.K.

1. Equity Increases

Equity increases are based on internal or external comparisons. Appropriate reasons for equity increases include, but are not limited to, 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.
2. **Market or Retention Increases**

Market or retention 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. Evidence of retention risk must be properly documented for retention increases. In providing market increases, particular attention should be given to evidence regarding problems of recruitment and retention.

3. **Promotion or Demotion**

The salary change for promotions may include an increase to the base salary for employees whose level of responsibility has permanently increased, or promotion among the faculty ranks. A commensurate decrease in salary may be warranted for demotions when job duties and level of responsibility have been permanently reduced, such as for the removal of supervisory responsibilities.

4. **Categorical Increases or Decreases**

Categorical increases or decreases may occur across all positions for a certain personnel group or by title. Such changes may be department, job title/group or campus-based and not prescribed across the entire university. Categorical decreases may occur due to budget constraints or fiscal emergencies when it may be necessary to conduct across-the-board base salary decreases. Categorical increases may occur due to external market surveys or increases due to new federal or state policy. Chancellors and the president must ensure that the process is clearly communicated and administered within legal and administrative parameters.

5. **Administrative Officers Returning to a Faculty Position**

An administrator who holds a tenured position at the University of Colorado has the right to return to his/her tenured faculty position upon conclusion of the administrative appointment.

Letters of offer or addenda for administrators who are also tenured faculty shall include reference to this policy, and a copy of this policy shall be attached.

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 the functions 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. Only under the most extraordinary circumstances, may the president (or the Board of Regents in the case of a president returning to the faculty) authorize and approve exceptions to this policy.

For those administrators who were receiving an administrative stipend in addition to a faculty salary, the stipend shall end upon returning to a faculty position.

**B. Non-base building payments outside of merit**

Non-base building salary payments do not automatically continue from year to year and are not used to calculate merit increases or leave payouts. Such payments are tied to active additional work being completed or to recognize completed work. All non-base building payments must be requested in writing and submitted for approval in accordance with Policy 2.K.

1. **Additional Pay**

Additional pay, when authorized, is added to annual salary, either monthly or as a single amount, for temporary duties or services the employee provides outside the primary position’s scope of responsibilities or beyond the terms of the faculty contract. For faculty, a differentiated workload does not warrant additional pay but a
differential workload associated with added administrative responsibilities may warrant additional pay.
Additional payments are time-specific and shall not continue beyond the termination of the additional duties.

Departments may provide release time, when feasible, in lieu of additional pay when an overload assignment is necessary.

2. Recognition and Achievement Awards

Recognition and achievement awards may occur throughout the year according to university fiscal rules and administrative policies. Cash 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. Per the Procurement Service Center Procedural Statement (https://www.cu.edu/psc/policies/psc-procedural-statement-recognition-and-training) recognition and achievement award payments must be tied to an approved department recognition program.

3. Goal Completion Incentives

Goal completion 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 should be documented and are paid upon completion of established criteria. The criteria may allow for periodic payments as significant project steps are completed and/or upon final project completion.

4. Retention Incentives

Retention incentives are lump sum amounts that are paid at a specific time within an appointment and should be documented in the letter of offer or the letter of offer addendum.

5. Honorarium

Honorarium are token payments or rewards made to individual for a one-time services (ex. Guest lecturer) for which custom forbids a price to be set.

1) CU employee honorariums are processed through HCM
2) Individuals not employed by CU are processed through PSC

6. Postemployment Compensation

Postemployment compensation is unearned compensation paid to an employee after termination of employment. This includes severance or legal settlements as allowed by law. This does not include retirement benefits, payments in an early retirement program, or earned compensation.

III. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

A. Administrative Policy Statements (APS) and Other Policies
B. Procedures
C. Forms
D. Guidelines
E. Other Resources (i.e., training, secondary contact information)
F. Frequently Asked Questions (FAQs)

IV. HISTORY

Note: Sections of this new policy were previously contained in Regent Policy 11.C

Adopted: September 1, 2019 (Pending)
Revised: N/A
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