University of Colorado
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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:	June 22, 2023
Approved by:	President Todd Saliman
Responsible University Officer:	Vice President and CHRO
Responsible Office:	Office of the Vice President and CHRO
Policy Contact:	Office of the Vice President and CHRO
Supersedes:	N/A
Last Reviewed/Updated:	June 22, 2023
Applies to:	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.

I. 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 compensation for university staff 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 university staff.

II. POLICY STATEMENT

A. Base-building salary adjustments outside of merit or annual salary allocations

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

1. Equity Increases

Equity increases are based on internal comparisons. Appropriate reasons for equity increases include, but are not limited to, gradual increase in position responsibilities leading to higher level position comparisons, and gender/race inequities for substantially similar positions. Equity increases must be appropriately reviewed, approved, and documented through established campus processes.

2. Market or Retention Increases

   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, including compression.

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. 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, adjustments needed to pay grade or pay range structures, or increases due to new federal or state policy, including minimum wage. Chancellors and the president must ensure that the process is clearly communicated and administered within legal and administrative parameters.

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 documented in writing.

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. Additional payments are time-specific and shall not continue beyond the termination of the additional duties.

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 Finance 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

   Honoraria are token payments or rewards made to individuals for a one-time service (e.g., Guest lecturer) for which custom forbids a price to be set.

   a. CU employee honoraria are processed through HCM
   b. Honoraria for 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 PROCEDURES AND FORMS

A. Procedures
- Issue Additional Pay
- Finance Procedural Statement: Recognition and Training

B. Forms
- Additional Pay

IV. HISTORY

- Adopted: June 22, 2023 - Sections of this new policy were previously contained in regent policy 11.C.
- Revised: N/A.
- Last Reviewed: June 22, 2023.