

HUMAN RESOURCES ADMINISTRATIVE MANUAL
CLASSIFICATION, COMPENSATION, AND PAYROLL: SALARY INCREASE ADMINISTRATION PROCESS



UNIVERSITY SYSTEM
OF GEORGIA

Salary Increase Administration Process

CITATION REFERENCE

| | |
|---------------------------|--|
| OFFICIAL TITLE | POLICY ON SALARY INCREASE ADMINISTRATION PROCESS |
| VOLUME | HUMAN RESOURCES |
| RESPONSIBLE OFFICE | USG HUMAN RESOURCES OFFICE |
| ORIGINALLY ISSUED | APRIL 2009 |
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Policy Statement

Salary and wage adjustments will generally be awarded to employees in the University System upon promotion to a higher level position, upon reclassification to a higher level position, when an equity or administrative adjustment is deemed necessary and on annual basis provided performance warrants the adjustment.

The annual increase will be in the form of a merit increase and developed in conjunction with the budget development process.

Equity adjustments may also be developed in conjunction with the budget development process.

All adjustments are contingent upon available funding.

This policy ensures consistency in compensation practices across institutions within the University System, while affording the appropriate level of flexibility needed at the institutional level.

Applicability

All units of the University System of Georgia are covered by this policy.

Who Should Read This Policy

All Human Resources personnel within the University System of Georgia should be aware of this policy.

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Definitions

These definitions apply to these terms as they are used in this policy:

- **Salary Range:** The institutionally approved pay range for a position, usually designated by a minimum salary amount and a maximum salary amount.

Process and Procedures

Annual Merit Increases

- Each year, the Office of Fiscal Affairs issues a salary administration statement that provides guidelines for awarding salary increases for that fiscal year.
- Merit increases are normally authorized at the beginning of a fiscal year and are subject to salary limitations and guidelines established each fiscal year.
- Annual salary increases are merit-based, reflecting each employee's performance as evaluated by their supervisor.
- Merit increases will generally be distributed on a percentage basis around the average percentage increase as provided for by state appropriations.
- Merit salary increases that exceed the range established by the salary administration statement must be documented on an individual basis. Additionally, and subject to Board policy, institutions may make salary increases for promotions and reclassifications or to address salary inequities, subject to funding availability. See BOR Policy Manual regarding [Compensation Policy](#).

Promotional Increases/Reclassifications

- When an employee is promoted or reclassified to a higher classification, the employee will normally be awarded a promotional/reclassification increase. The actual increase decision should consider relevant factors such as internal pay relationships and the individual's qualifications and experience for the position. Promotional and reclassification increases are subject to the availability of funds. An employee who receives a promotion (either by taking on a new job or by reclassifying the employee's current job to a higher salary grade) should receive a salary increase to at least the new pay range minimum when the promotion becomes effective.
- Promotional increases above 10 percent, or the minimum of the new pay range, will require additional justification and review and approval by HR.
- Increases will be capped at the pay range maximum and are subject to management review and approval, department budget and Human Resources.

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Special Pay Increases

- Special pay increases are salary changes outside of the normal salary programs (promotions, reclassifications, merits, etc.) to remedy salary issues such as external market salary pressure in high demand skills, internal equity or salary compression, and/or retention considerations. Justification must accompany a department's requests for such adjustments, including specific outside salary offers in cases of retention, or a specific analysis of salary relationships in cases of correcting salary inequities. The increase request should consider relevant factors such as internal pay relationships and the individual's qualifications and experience.
- The recommended salary is subject to HR review. Official Institution sanctioned salary survey data and the employee's personnel record, experience and credentials will be evaluated.
- Increases will be capped at the pay range maximum and are subject to management review and approval, department budget and Human Resources.

Administrative Adjustments

- In order to correct an administrative oversight, and subject to funding availability, the chief human resources officer or their designee may approve a corrective adjustment to an employee's rate of pay.

Advanced Increase Request

- Institutions may adjust employee compensation as a result of multiple factors to include merit adjustments, promotions, position reclassification, counter-offers, in-range adjustments, etc.
- Employee compensation adjustments are an institutional decision and should be consistent with the approved institutional compensation plan. However, cumulative fiscal year adjustments greater than or equal to ten percent above the USG's annual salary and wage guidance require advanced approval by the Chancellor other than the instances indicated below.

The following salary increases greater than or equal to ten percent above the USG's annual salary and wage guidance do not require the Chancellor's approval:

- Results in a salary below \$100,000.
- Is a promotional increase at or below the mid-point of the salary grade for the new job classification.
- Is for a faculty member moving into an administrative role, in which the salary will convert from a nine month salary to 12 month salary, as long as the institution has a consistent formula for faculty administrative appointment salary rate conversions.

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Example: An employee is offered a new position in a new pay grade with a minimum of \$80,202, a midpoint of \$112,283 and a maximum of \$144,364. The employee's current salary is \$92,000. The department requests a salary of \$112,000. This is a salary increase of 21.74 percent and exceeds \$100,000 but does not require advance approval because it is below the pay grade midpoint. This same employee counters with a salary of \$115,000. This is a salary increase of 25 percent, exceeds \$100,000 and exceeds the salary midpoint so the Chancellor's approval is required.

- Salary increases which result in a cumulative fiscal year adjustment equal to or exceeding ten percent above the USG's annual salary and wage guidance percentage, and do not require the Chancellor's approval, must be approved by the President or their designee.
- Each institution must have policies and procedures in place for the analysis and approval of all salary increases. Documentation must include justification that explains in detail the purpose and amount of the increase requested and approval signatures. The Office of Human Resources will conduct an independent analysis of salary survey data, internal equity considerations, recruitment, retention, and turnover statistics; and compile and analyze any additional information considered beneficial in determining whether there is sufficient justification for approval of the request.
- Request for approval may be submitted to the USG Office of Human Resources via the online Advanced Salary Increase request form.
- All cumulative fiscal year adjustments approved at the institution which are greater than or equal to ten percent above the USG's authorized annual salary percentage increase wage guidance must be reported on a quarterly basis to the USG Office of Human Resources.
- Reporting requirements:
 - Institution Name
 - Employee Name
 - Current job title, pay grade range (min, mid, max), and salary
 - New job title, pay grade range (min, mid, max), and salary
 - Internal median salary for the job classification
 - External (validated) market midpoint salary for the job classification (as applicable)
 - Reason for increase (promotion, reclassification, equity adjustment)

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- Summary HR Analysis and justification for increase to include relevant factors (i.e. employee credentials in comparison to minimum qualifications, internal equity considerations)

Changes to Legislative Appropriations

The Board receives an annual appropriation from the General Assembly for all phases of its operations. This appropriation may be increased or decreased by the Legislature or the Governor during the period of any fiscal year. Expenditures for operation of the University System are therefore necessarily contingent upon legislative appropriations. In the event that the General Assembly or the Governor at any time reduces the amount of funds appropriated to the Board, the compensation of all employees and other operating expenses may as a consequence be correspondingly reduced. It shall, however, be the intent of the Board to maintain current salary commitments in so far as possible to every employee, and the Board will exert its composite influence and best efforts to that end (BR Minutes, 1976-66, p. 184).

Summary

- Good compensation practices are needed to attract and retain good employees. When determining salaries, various factors should be taken into consideration, including but not limited to: internal alignment and equity, external market conditions, job responsibilities and required qualifications.
- Before employing an individual at a rate higher than the entry level salary, institutions are strongly advised to review the salary levels of all other current employees in the same or similar classifications.
- Institutions are authorized to develop and administer a wage and salary administration program for utilization at the institutional level to ensure consistency in applying this policy.

Each institution shall establish procedures to implement this policy.

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Responsible Parties and Contact Information

| Party | Responsibility | Phone/Email/URL |
|---|---|--|
| Vice Chancellor for Human Resources, USG | Maintain policy, provide guidance to institution human resources officers on effective utilization of policy, and monitor campuses for compliance. | 404-962-3235 usg-hr@usg.edu |
| Institution Chief Human Resources Officers | Ensure all hiring managers are aware of the policy. Provide guidance management on appropriate application of the policy. Ensure that an appropriate process or institutional level policy is in place to facilitate fair and equitable evaluations of requests to extend offers above the minimum of a salary range. Ensure requests are properly evaluated and administered in accordance with policy and applicable federal and state laws. Ensure appropriate documentation is maintained when necessary. | See University System HR Officer Listing |
| Institution Payroll Officer | | Refer to institution directory |

Website Address for This Policy

- None

Appendices (Internal Documents, Forms and Web Links)

- [USG Classification](#)
- [USG Classification Archive](#)
- USG Promotions
- USG Wage and Salary Administration
- [masterBCAT](#)
- [BOR 8.2.24 Policy on Salary Administration and Incentive Reward Program](#)
- [Advanced Salary Increase Request Survey Form](#)
- [Salary Administration FAQs](#)

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Related Documents and Resources (External)

- None

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