COMPENSATION SYSTEM
GUIDELINES FOR EXEMPT &
NON-EXEMPT EMPLOYEES
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Compensation System Guidelines

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Introduction

The University of Delaware recently completed a thorough review and redesign of its Compensation System to ensure fairness and equity in attracting, retaining, and engaging the highly qualified talent required to achieve the University’s mission. The review and redesign process included a thorough evaluation of external market data and internal value of positions.

The Compensation System consists of the following:

<table>
<thead>
<tr>
<th>Compensation Strategy</th>
<th>Aligns the Compensation System with the University’s Strategic Plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Structure</td>
<td>Maintains competitive and equitable salary ranges.</td>
</tr>
<tr>
<td>Compensation Guidelines</td>
<td>Ensures that the University’s compensation policies and expectations are documented and available to all employees. This promotes consistency in how compensation decisions are made across the University.</td>
</tr>
<tr>
<td>Benchmarking Standards</td>
<td>Articulates standards for benchmarking positions internally and externally.</td>
</tr>
</tbody>
</table>

These guidelines apply to employees in 2,300 classified positions assigned to the salary ranges found in section 2.1. It does not apply to faculty, employees covered by collective bargaining agreements, Post Doctoral Researchers, Post Doctoral Fellows, Limited Term Researchers, students, or miscellaneous wage employees.

These guidelines are designed to provide employees with an understanding of the University’s Compensation System. The Office of Human Resources, Classification & Compensation Unit (“Classification & Compensation”) works in collaboration with senior leadership, colleagues, managers and supervisors across the University to administer a Compensation System that is equitable, fair, competitive and aligned with the University’s mission and strategic plan. The University will comply with all applicable state and federal laws governing compensation, such as the Equal Pay Act, the Fair Labor Standards Act (“FLSA”), as amended, and all other applicable laws and regulations.

These guidelines have been prepared to serve as a practical resource. While the University of Delaware desires to lend stability to compensation policies and practices, it reserves the right to modify them at any time with or without notice.
Compensation Strategy

- Objectives of the Compensation Strategy
- Definition of Total Compensation
- How Positions are Assigned to the Structure
- How the Compensation System Relates to the Market
- How Compensation Relates to Employee Performance
- Administering the Compensation System

Administering the Compensation System

Managing Employee Pay within the Salary Structure

Compensation Related Legislation

Glossary
1. Compensation Strategy

The University seeks to provide every employee a competitive and equitable level of compensation that reflects his or her contribution to the University’s mission to cultivate learning, develop knowledge and foster the free exchange of ideas. This compensation strategy presents the key objectives and principles that shape the way University employees are paid for advancing the University’s mission and its strategic goals.

1.1 Objectives of the Compensation Strategy

As a state-assisted, privately governed university, the University has a strong tradition of distinguished scholarship, research, teaching and service. The University offers its employees an opportunity to contribute to this mission and to grow and learn in the process of new challenges. Objectives are as follows:

- To align compensation programs and practices with the desired mission, strategy, and culture of the University.
- To create compensation plans that align the interests of the employees with those of the University.
- To ensure the University’s compensation strategy is legally compliant.
- To provide a competitive total compensation package including base pay and benefits. The University will periodically examine and modify, as necessary, the compensation strategy and practices within the context of the broader institutional strategy to ensure continued appropriateness.

1.2 Definition of Total Compensation

The University’s total compensation package is comprised of two elements: base salary and benefits.

- **Base Salary** is the fixed pay that employees can expect to earn on an hourly, semi-monthly or annual basis. It will reflect the value of the position in the market, the value to the University, and the individual’s knowledge, capabilities and performance.

- **Benefits** such as health benefits, retirement benefits, work-life balance, education benefits and professional development will continue to be essential elements of a total compensation package for University employees.
1.3 How Positions are Assigned to the Structure

- The University’s Compensation System balances external competitiveness with institutional needs. The system uses competitive market data as a reference for maintaining the salary structure and compensation ranges. Positions are assigned to salary ranges based on the assessment of competitiveness and responsibilities.

- Placement of positions in the structure will be determined by considering the following factors as related to the position:
  - External market data
  - Specialized knowledge, skills, and training
  - Complexity and decision-making
  - Scope of accountability and impact of actions
  - Supervisory responsibilities, planning and problem-solving

- Appropriate base salaries will be maintained through:
  - Identification of key benchmark positions that will be used to monitor the market. Benchmark positions are those which can be closely matched to position descriptions in published salary surveys, and for which sufficient salary information is available to create an accurate picture of the market for the position;
  - Regular monitoring of the market to ensure continued competitiveness; and
  - Periodic review of the Compensation System with adjustments made, as necessary, to maintain market competitiveness and ensure internal equity.

1.4 How the Compensation System Relates to the Market

- The Compensation System is targeted to the market median and will be positioned to attract and retain key talent. If institutional needs or specific position and/or position families require greater competitiveness, the market-reference point may be modified.

- The University’s intention is to utilize a consistent set of appropriate markets for benchmarking salaries. It may be necessary at times to modify the appropriate markets for certain jobs and/or job families to effectively compete for talented employees. The Compensation System will be reviewed at least every three years to verify benchmark salaries against the appropriate market data.

1.5 How Compensation Relates to Employee Performance

- Salary increases (employee merit) will be determined by the degree to which each individual contributes to the University’s mission and strategic goals and demonstrates excellence in handling position responsibilities as documented in the performance appraisal process.
The University shall maintain:

- Up-to-date and accurate position descriptions for all positions to ensure a shared understanding of position responsibilities (to be updated at least every three to five years, or more often if the scope of position responsibilities shift significantly) and
- A consistent performance appraisal system that reinforces the objectives and priorities of the University.

Performance appraisals shall be conducted by supervisors on an annual basis. The annual employee appraisals may be supplemented with periodic review and communication by the supervisor. Supervisors will collaborate with their staff to create performance goals and expectations. Goals will be established annually and aligned with those of the University and the employing unit. Employee performance will be measured against these goals to provide an objective basis for assessment.

The link between the University’s strategic plan, employee position performance, goal achievement, and salary increases shall be clearly communicated by leadership at all levels.

Managers and supervisors shall be held accountable for effectively planning, managing, coaching, and evaluating the performance of their staff, as well as for creating a positive work environment that supports professional development.

1.6 Employee Merit Increases

Each year, with consideration given to financial resources and overall University strategy and goal achievement, the University’s Senior Leadership Team determines the annual employee merit pool and whether it is in the best interest of the institution to allocate funds for salary increases to classified exempt and non-exempt staff. While it is the intent of the University to provide annual salary increases when finances permit, it cannot guarantee that such increases will occur every year, nor can it guarantee the level of annual increase.

Individual Employee Merit increases take into account the following criteria:

- Appraisals of employee performance.
- Designated merit percentage for salary increases.

New employees must begin employment before April 1st to be eligible for Employee Merit in the same year. Under no circumstances will the institution award an automatic salary increase. An individual’s salary increase is based on the factors listed in section 1.5.

Increases for non-exempt and exempt employees will generally be effective on the merit increase date, July 1 for individuals employed on a fiscal year basis or September 1 for individuals employed on an academic year basis. Employees whose salaries are less than the maximum of their salary grade on their annual merit increase date may receive a merit increase in their base salary as described in the guidelines included in the merit instructions.
Effective July 1, 2015, employees whose salaries are *greater than* the grade maximum of their salary range on their annual merit increase date may be eligible to receive an “over the grade maximum” payment if their performance rating is “meets expectations” or better. (See section 2.6 for additional detail.)
Compensation Strategy

Administering the Compensation System

- Administrative Roles
- Salary Structures
- Managing Compensation within the Grade
- Maintaining the Compensation System

Managing Employee Pay within the Salary Structure

Compensation Related Legislation

Glossary
2. Administering the Compensation System

2.1 Administrative roles are as follows:

<table>
<thead>
<tr>
<th>Senior Leaders</th>
<th>Office of Human Resources Classification &amp; Compensation</th>
<th>Managers and Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Communicate openly, regularly, and clearly with the University community on compensation related matters;</td>
<td>• Provide strategic advice to the Senior Leadership Team;</td>
<td>• Understand position responsibilities and requirements of positions in their area of responsibility;</td>
</tr>
<tr>
<td>• Revise, endorse, and propose compensation systems in consultation with other stakeholders at the University;</td>
<td>• Ensure compliance (ex. OFCCP; Affirmative Action, EEO, FLSA);</td>
<td>• Develop and maintain open and trusting relationships with staff;</td>
</tr>
<tr>
<td>• Establish and communicate institutional strategy, objectives, and operational goals to the University community; and</td>
<td>• Collect market data and assess compensation competitiveness;</td>
<td>• Maintain accurate and current position descriptions;</td>
</tr>
<tr>
<td>• Set standards for performance planning, coaching and feedback, and hold direct/indirect reports accountable for the same.</td>
<td>• Design, develop, and maintain Compensation System and ensure consistency of application;</td>
<td>• Set performance expectations, provide clear and helpful feedback, and evaluate performance;</td>
</tr>
<tr>
<td></td>
<td>• Communicate the Compensation System and ensure understanding within the campus community; and</td>
<td>• Collaborate with Classification &amp; Compensation to develop and maintain appropriate salaries; and</td>
</tr>
<tr>
<td></td>
<td>• Regularly monitor the effectiveness of the Compensation System, practices and continued competitiveness.</td>
<td>• Communicate openly with staff about compensation matters.</td>
</tr>
</tbody>
</table>

2.2 General Salary Structure

Listed below are the salary ranges and grades for classified exempt and non-exempt positions in the General Structure at the University, effective July 1, 2015.

<table>
<thead>
<tr>
<th>37.5 Hour General Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>25N</td>
</tr>
<tr>
<td>26(N, E)</td>
</tr>
<tr>
<td>27(N, E)</td>
</tr>
<tr>
<td>28(N, E)</td>
</tr>
<tr>
<td>29(N, E)</td>
</tr>
<tr>
<td>30E</td>
</tr>
<tr>
<td>31E</td>
</tr>
<tr>
<td>32E</td>
</tr>
<tr>
<td>33E</td>
</tr>
<tr>
<td>34E</td>
</tr>
<tr>
<td>35E</td>
</tr>
<tr>
<td>36E</td>
</tr>
</tbody>
</table>

E or N = Exempt or Non-exempt Position
### 40 Hour General Structure

<table>
<thead>
<tr>
<th>Grade</th>
<th>Minimum</th>
<th>Hourly</th>
<th>1st Quartile</th>
<th>Midpoint</th>
<th>3rd Quartile</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>25N</td>
<td>$25,273</td>
<td>$12.15</td>
<td>$29,063</td>
<td>$32,854</td>
<td>$36,645</td>
<td>$40,436</td>
</tr>
<tr>
<td>26(N, E)</td>
<td>$29,063</td>
<td>$13.97</td>
<td>$33,423</td>
<td>$37,782</td>
<td>$42,142</td>
<td>$46,501</td>
</tr>
<tr>
<td>27(N, E)</td>
<td>$31,625</td>
<td>$15.20</td>
<td>$37,160</td>
<td>$42,694</td>
<td>$48,229</td>
<td>$53,763</td>
</tr>
<tr>
<td>28(N, E)</td>
<td>$36,369</td>
<td>$17.49</td>
<td>$42,734</td>
<td>$49,098</td>
<td>$55,463</td>
<td>$61,827</td>
</tr>
<tr>
<td>29(N, E)</td>
<td>$42,188</td>
<td>$20.28</td>
<td>$49,571</td>
<td>$56,954</td>
<td>$64,337</td>
<td>$71,720</td>
</tr>
<tr>
<td>30E</td>
<td>$48,938</td>
<td>$23.53</td>
<td>$57,502</td>
<td>$66,067</td>
<td>$74,631</td>
<td>$83,195</td>
</tr>
<tr>
<td>31E</td>
<td>$53,309</td>
<td>$25.63</td>
<td>$65,303</td>
<td>$77,298</td>
<td>$89,292</td>
<td>$101,287</td>
</tr>
<tr>
<td>32E</td>
<td>$62,371</td>
<td>$29.99</td>
<td>$76,405</td>
<td>$90,439</td>
<td>$104,472</td>
<td>$118,506</td>
</tr>
<tr>
<td>33E</td>
<td>$73,598</td>
<td>$35.38</td>
<td>$90,158</td>
<td>$106,718</td>
<td>$123,277</td>
<td>$139,837</td>
</tr>
<tr>
<td>34E</td>
<td>$83,951</td>
<td>$40.36</td>
<td>$104,939</td>
<td>$125,927</td>
<td>$146,915</td>
<td>$167,902</td>
</tr>
<tr>
<td>35E</td>
<td>$100,741</td>
<td>$48.43</td>
<td>$125,927</td>
<td>$151,112</td>
<td>$176,297</td>
<td>$201,483</td>
</tr>
<tr>
<td>36E</td>
<td>$125,927</td>
<td>$60.54</td>
<td>$157,408</td>
<td>$188,890</td>
<td>$220,372</td>
<td>$251,853</td>
</tr>
</tbody>
</table>

*Salary structures will be reviewed periodically to align with the external market and institutional needs.*

2.3 Select Market Structure

A Select Market Structure was developed to aid in competing for candidates and retaining employees in certain identified positions for which the market environment is highly competitive. These exempt level positions are currently in information technology and fundraising fields. Periodic market review will be conducted to determine the need for a select market structure, and based on need, to identify the types of positions for select market designation.

Criteria for Inclusion in the Select Market Structure:

Information Technology specific position functions:
- Meet Fair Labor Standards Act (FLSA) criteria for exemption.
- Perform primary responsibilities, or be in a position that oversees responsibilities, that include, but are not limited to applications and systems programming, database administration, software systems and engineering, development and applications design, and hardware and software installation, set-up and testing.

Development and Alumni Relations specific position functions:
- Meet Fair Labor Standards Act (FLSA) criteria for exemption.
- Perform primary responsibilities, or be in a position that oversees responsibilities, that include but are not limited to securing gifts and pledges from individuals, corporations.
and foundations through identification, stewardship and solicitation which aligns with the University’s mission.

- Solicitations are handled directly through face-to-face visits and telephone calling, as well as fundraising events and campaigns.

Listed below are the salary ranges and grades for classified exempt and non-exempt positions in the General Structure at the University, effective July 1, 2015.

### 37.5 Hour Select Market Structure

<table>
<thead>
<tr>
<th>Grade</th>
<th>Minimum</th>
<th>Hourly</th>
<th>1st Quartile</th>
<th>Midpoint</th>
<th>3rd Quartile</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>27S</td>
<td>$37,087</td>
<td>$19.02</td>
<td>$43,577</td>
<td>$50,068</td>
<td>$56,558</td>
<td>$63,048</td>
</tr>
<tr>
<td>28S</td>
<td>$42,650</td>
<td>$21.87</td>
<td>$50,114</td>
<td>$57,578</td>
<td>$65,042</td>
<td>$72,505</td>
</tr>
<tr>
<td>29S</td>
<td>$49,474</td>
<td>$25.37</td>
<td>$58,132</td>
<td>$66,790</td>
<td>$75,448</td>
<td>$84,106</td>
</tr>
<tr>
<td>30S</td>
<td>$57,390</td>
<td>$29.43</td>
<td>$67,434</td>
<td>$77,477</td>
<td>$87,520</td>
<td>$97,563</td>
</tr>
<tr>
<td>31S</td>
<td>$62,516</td>
<td>$32.06</td>
<td>$76,582</td>
<td>$90,648</td>
<td>$104,714</td>
<td>$118,780</td>
</tr>
<tr>
<td>32S</td>
<td>$73,143</td>
<td>$37.51</td>
<td>$89,601</td>
<td>$106,058</td>
<td>$122,515</td>
<td>$138,973</td>
</tr>
<tr>
<td>33S</td>
<td>$86,309</td>
<td>$44.26</td>
<td>$105,729</td>
<td>$125,148</td>
<td>$144,568</td>
<td>$163,988</td>
</tr>
<tr>
<td>34S</td>
<td>$98,450</td>
<td>$50.49</td>
<td>$123,063</td>
<td>$147,675</td>
<td>$172,288</td>
<td>$196,900</td>
</tr>
<tr>
<td>35S</td>
<td>$118,140</td>
<td>$60.58</td>
<td>$147,675</td>
<td>$177,210</td>
<td>$206,745</td>
<td>$236,280</td>
</tr>
<tr>
<td>36S</td>
<td>$147,675</td>
<td>$75.73</td>
<td>$184,594</td>
<td>$221,513</td>
<td>$258,431</td>
<td>$295,350</td>
</tr>
</tbody>
</table>

*Salary structures will be reviewed periodically to align with the external market and institutional needs.*

2.4 Managing Compensation in the Grade

The salary range for each grade is wide enough to accommodate a variety of experience and performance levels, and all employees can expect to be paid within the range associated with their position’s salary grade. Positions will be assigned to a salary grade based on market analysis and/or internal benchmarking.

2.5 Maintaining the Compensation System

Classification & Compensation is responsible for maintaining a current and competitive salary structure consistent with the University’s Compensation System. It is responsible for reviewing the salary ranges annually, by collecting and analyzing market salary data for comparable positions within the University’s comparison markets.

2.6 Managing Compensation for Incumbent Salaries that Exceed the Maximum for the Grade

Effective July 1, 2015, base salaries will not be increased for any employee with a salary that is equal to or greater than the maximum of their salary grade until future adjustments to the salary.
structure result in a salary grade maximum that is greater than the current salary. Salary increases resulting from employee merit will be made in the form of an “over-the-grade maximum” payment in lieu of an increase to their base salary. These payments are issued as supplements and are not permanently added to an employee’s base salary.

Increases resulting from the Employee Merit process will be consistent with the merit-based percentage increase, but will be paid in the regular pay cycle during the course of the year. This means that “over-the-grade maximum” payments are not compounded on base pay from year to year. Employee and employer 403(b) retirement contributions as well as contributions to the DE State Employees’ Pension Plan are calculated on both the employee’s salary and “over-the-grade maximum” payment.

**Example for Grade 29:**

**Year One -**
Employee’s current annual salary is $66,559. The current maximum for Grade 29 is $66,606. If the employee receives a 1.25% merit increase, the employee’s new annual salary is calculated to go to $67,391. Because the calculated rate is over the grade maximum, the employee’s new annual salary will go to $66,606 (the grade maximum) with the remainder of the merit increase ($785) processed as an “over the grade maximum” payment, presuming a full time, 12 month employee (1.00 FTE). The employee would receive $66,606 (annual salary) + $785 (over the grade maximum payment).

**Year Two -**
Employee’s current annual salary is $66,606. The current maximum for Grade 29 is $66,606. If the employee receives a 1.15% merit increase, the employee’s new annual salary is calculated to go to $67,372. Because the calculated rate is over the grade maximum, the employee’s annual salary will remain at $66,606. The employee merit increase ($766) will be processed as an “over the grade maximum” payment, presuming a full time, 12 month employee (1.00 FTE). The employee would receive $66,606 (annual salary) + $766 (over the grade maximum payment).

**Year Three -**
Employee’s current annual salary is $66,606. The salary structure is adjusted by 1.0% to increase the grade maximum to $67,272 for grade 29. If the employee receives a 1.25% merit increase, the employee’s new annual salary is calculated to go to $67,439. Because the calculated rate is over the grade maximum, the employee’s new annual salary will go to $67,272 (the grade maximum) with the remainder of the merit increase ($167) processed as an “over the grade maximum” payment, presuming a full time, 12 month employee (1.00 FTE). The employee would receive $67,272 (annual salary) + $167 (over the grade maximum payment).
1. Compensation Strategy

2. Administering the Compensation System

3. Managing Employee Pay within the Salary Structure
   - Starting Salary
   - Transfer to a Position in the Same Salary Grade
   - Promotion to a Position in a Higher Salary Grade
   - Demotion to a Position in a Lower Salary Grade
   - Temporary Assignments/Interim Appointments
   - Off-Cycle Compensation Increases
   - Guidelines for Position-Based Changes

4. Compensation Related Legislation

5. Glossary
3. Managing Employee Pay within the Salary Structure

Individual salaries within the grade will be set collaboratively by Classification & Compensation and the employee's manager. Salary determinations are made through a review of a job's responsibilities and requirements as well as the skills, knowledge and experience of the candidate/employee, using the salary range associated with the job's grade as the guideline. The salary evaluation process also includes the review by Classification & Compensation of the salaries of current employees in similar jobs to ensure internal equity. Section 3 (summarized in the following chart) describes the various scenarios that may impact an employee’s pay and how each situation is managed.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Applicable Salary Action</th>
<th>HR Approvals*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Salary Offer</td>
<td>Minimum up to Midpoint</td>
<td>Classification &amp; Compensation</td>
</tr>
<tr>
<td></td>
<td>Midpoint up to Third Quartile</td>
<td>Director, Compensation &amp; Benefits</td>
</tr>
<tr>
<td></td>
<td>Third Quartile to Maximum</td>
<td>Chief Human Resources Officer</td>
</tr>
<tr>
<td>Transfer to position at same level</td>
<td>An increase of 0 to 4% may be warranted.</td>
<td>Classification &amp; Compensation</td>
</tr>
<tr>
<td>Promotion to a higher grade</td>
<td>Promotional increase will typically be up to 10% depending on current salary in new grade and internal equity.</td>
<td>Classification &amp; Compensation</td>
</tr>
<tr>
<td>Demotion, Voluntary</td>
<td>Decrease in salary may occur depending on current salary in new grade and internal equity.</td>
<td>Classification &amp; Compensation</td>
</tr>
<tr>
<td>Demotion, Involuntary</td>
<td>An appropriate salary recommendation will be made. Must be reviewed by Classification &amp; Compensation (see section 3.4 for more information).</td>
<td>Chief Human Resources Officer</td>
</tr>
<tr>
<td>Interim Appointment</td>
<td>To be reviewed by Classification &amp; Compensation.</td>
<td>Chief Human Resources Officer</td>
</tr>
<tr>
<td>Off Cycle</td>
<td>Justification and review by Classification &amp; Compensation.</td>
<td>Chief Human Resources Officer</td>
</tr>
</tbody>
</table>

* HR Approval assumes that any required supervisory/leadership approval within the college or divisional organization has already been obtained.

3.1 Starting Salary Offer

Salary offers will fall within the salary range of the position's assigned grade. Each pay grade has an associated minimum and maximum salary. The determination of salary for a new hire is based on several factors related both to the candidate's qualifications (education, experience,
knowledge, skills, and overall competence level) as well as the University's current needs. Since the University is committed to remaining competitive in the market, salary offers above the midpoint may occur if the candidate has a unique combination of education, experience and skills that well exceed the minimum qualifications.

Classification & Compensation will review all salary offers. The starting salary for a new employee at the University will be determined by considering the compensation range associated with the salary grade and by reviewing the candidate’s qualifications for the position as compared with position responsibilities. This will ensure that new employees begin their employment with an appropriate salary based on their skills, knowledge, and experience. In addition, recommended starting salaries will be compared to similar positions at the University with similar skills and expertise to ensure internal equity.

**Approval Process**

- **Minimum up to Midpoint**: Further approval beyond Classification & Compensation is not required.

- **Midpoint up to Third Quartile**: Approval by Director, Compensation & Benefits is required.

- **Third Quartile to Maximum**: Approval by Chief Human Resources Officer is required.

### 3.2 Transfer to a Position in the Same Salary Grade

Not all career advancement opportunities are promotions. Employees can also advance in their careers by taking different positions within the same salary grade. This enables them to become more broadly skilled and enhance their ability to contribute to the University, and may eventually lead to promotional opportunities to a higher salary grade.

Based on diversification and skill, knowledge, experience, performance, and current position with grade of an incumbent, an increase of 0 to 4% may be warranted.

### 3.3 Promotion to a Position in a Higher Salary Grade

A promotion is movement to a position assigned to a higher salary grade. Such a move generally warrants an increase in base salary to recognize higher level responsibilities and to ensure that compensation for the new position is consistent with market and internal equity. An exception may occur if the employee’s current salary is very high within the grade of the new position.

Classification & Compensation and managers will collaborate to develop an appropriate salary within the new salary grade, based on the employee’s skill, knowledge, experience, performance and internal equity. Since circumstances vary and each employee has a different compensation history, it is important to consider multiple factors including the incumbent’s current salary within the new grade when making compensation decisions related to promotions.
1. When an employee is promoted, the employee’s salary will be adjusted as follows:
   - To at least the minimum of the higher salary range for classified positions; or
   - If already above the minimum of the new salary grade, to a level within the salary range or budgeted salary amount that is equitable, based on the promoted employee’s related experience, qualifications and the salaries of the other employees in the same or similar positions.

2. If the promoted employee is already within the salary range of the new position or the budgeted salary amount, then a promotional increase will typically be up to 10%. An increase higher than 10% may occur if the employee’s current salary is very low in the grade of the new position. Employees over the maximum for their new grade will not receive a salary increase.

3. Effective July 1, 2015, if the promoted employee’s salary exceeds the maximum of the new position’s grade, the employee’s salary will remain unchanged.

4. If an employee is promoted effective July 1, the standard merit increase is calculated first and then the promotional guidelines above would apply. If the employee is still below the minimum of the new salary grade, the employee will be brought to the minimum of the new grade.
The chart below provides a guideline for promotions to a higher grade. Consider how each statement applies to the employee and plot the assessment on the corresponding line. After plotting each item, a pattern is likely to be evident. This pattern will help develop an appropriate increase recommendation. An increase higher than 10% may occur if the employee’s current salary is very low in the grade of the new position. Employees over the maximum for their new grade will not receive a salary increase.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Assessment of Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td>Moderate</td>
</tr>
<tr>
<td>Performance compared to expectation(^1)</td>
<td>Effective</td>
</tr>
<tr>
<td>Current salary relative to midpoint of new grade</td>
<td>High</td>
</tr>
<tr>
<td>Current salary relative to others in similar positions in new grade (with similar skills, knowledge, competencies, and experience)</td>
<td>High</td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge (assumes demonstration)</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>High</td>
</tr>
</tbody>
</table>

![Increase Recommendations](image)

The following pages show examples of how to use this chart. In all cases, promotional increases are dependent upon available financial resources and internal equity considerations.

\(^1\) Employees would not typically be eligible for promotion unless they are effective in their current position, at a minimum.
**Example 1**

Assume Eric is currently in pay grade 28 and is moving to a position in pay grade 29. He consistently performs at an above-expectation level; however, the depth and breadth of his skills is only slightly above a moderate level. His compensation is relatively high compared to peers in the new grade. When this information is plotted on the chart, the pattern appears as follows:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Eric’s Assessment</th>
<th>Criterion</th>
<th>Eric’s Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td></td>
<td>Performance compared to expectation(^1)</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Significant</td>
<td>Effective</td>
<td>Exceptional</td>
</tr>
<tr>
<td>Current salary relative to midpoint of new grade</td>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Current salary relative to others in similar positions in new grade (with similar skills, knowledge, competencies, and experience)</td>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge (assumes demonstration)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>High</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This assessment suggests movement toward the middle range of the increase options. Eric would be eligible for an increase of 4% – 8%. The salary increase is dependent upon available financial resources and internal equity considerations.

---

\(^1\) Employees would not typically be eligible for promotion unless they are effective in their current position, at a minimum.
**Example 2**

Assume Sara is currently in salary pay grade 28 and is moving to salary pay grade 29. Her performance consistently exceeds expectations and the depth and breadth of her skills is very high. Her compensation is relatively low compared to peers in the new grade. When this information is plotted on the chart, the pattern appears as follows:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Sara’s Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of increase in responsibilities</td>
<td></td>
</tr>
<tr>
<td>Performance compared to expectation(^1)</td>
<td></td>
</tr>
<tr>
<td>Current salary relative to midpoint of new grade</td>
<td></td>
</tr>
<tr>
<td>Current salary relative to others in similar positions in new grade (with similar skills, knowledge, competencies, and experience)</td>
<td></td>
</tr>
<tr>
<td>Depth and breadth of skills and knowledge (assumes demonstration)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Moderate</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Effective</td>
<td>Exceptional</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
<td>High</td>
</tr>
</tbody>
</table>

- Modest Increase: 0% to 4%
- Moderate Increase: 4% to 8%
- Significant Increase: 8% to 10%

This assessment suggests movement to the high range of the increase options. Sara would be eligible for an increase of 8% to 10%. The salary increase is dependent upon available financial resources and internal equity considerations.

\(^1\) Employees would not typically be eligible for promotion unless they are effective in their current position, at a minimum.
3.4 Demotion to a Position in a Lower Salary Grade

At times, an employee may be reassigned to a position in a lower salary grade. This may occur due to the employee’s capabilities and the skills and expectations of a different position, or the employee may choose to take a position with lesser responsibilities.

Voluntary Demotion

A voluntary demotion occurs when an employee elects to move to a position at a lower salary grade. Employees who are voluntarily demoted may have their salary reduced to reflect the responsibilities of the new position. The methodology for determining the appropriate salary reduction shall be consistent with the process utilized for determining salaries upon promotion, and shall be based upon the difference between the responsibilities and grade of the employee’s current position as compared with the new position. This will include a review of the employee’s skills, knowledge, experience, and performance in comparison to the definitions for the new salary grade. Salary adjustments may be modified to ensure internal equity between the employee and current incumbents in similar positions in the new salary grade.

Involuntary Demotion

An involuntary demotion occurs when an employee is placed in a position at a lower salary grade. An involuntary demotion may occur as a result of:

- A significant decrease in the complexity or responsibilities of an employee’s duties;
- The employee’s inability to satisfactorily perform the duties and responsibilities of the higher level position;
- Disciplinary action; or
- A reorganization unrelated to employee performance or disciplinary action.

If the involuntary demotion occurs because the employee is unable to perform satisfactorily in the higher level position or is the result of disciplinary action, the employee’s salary shall normally be decreased to no less than the first quartile of the lower grade level as approved by the Chief Human Resources Officer.

If the involuntary demotion occurs as a result of a reorganization or because of a significant decrease in the complexity or responsibilities of the employee’s duties, a recommendation for an appropriate salary will be made after careful review by Classification & Compensation.

3.5 Temporary Assignments/Additional Responsibilities/Interim Appointments

From time to time, it may be necessary for employees to be assigned higher level or additional responsibilities on a temporary basis, typically not longer than one year. Justification for a duration more than twelve months is required with approval by the Chief Human Resources Officer. The nature of these assignments or additional responsibilities will be assessed by Classification & Compensation and the appropriate manager on a case-by-case basis. Any salary supplements resulting from such temporary assignments or additional responsibilities shall
be made in consultation with the appropriate unit, and following a review and recommendation by Classification & Compensation and approval by the Chief Human Resources Officer. A "memorandum of understanding" outlining the interim assignment should be established at the start of the assignment. The memorandum should outline the nature and expected term of the assignment and should make it clear that at the conclusion of the assignment the employee will be returned to his/her original classification and applicable salary.

3.6 Off-Cycle Compensation Increases

Individual salary adjustments will be considered on a case-by-case basis. Off-cycle increases in base compensation are increases that occur at a time other than the annual employee merit increase cycle. Requests for a salary review must be approved by the staff member’s supervisor and appropriate senior administrator for submission to Classification & Compensation with the following information:

- Justification and supporting documentation;
- A position description reflective of responsibilities as well as the employee’s skills, knowledge, experience;
- A current organizational chart; and
- The staff member’s current resume/cv.

Off-cycle compensation increases are unrelated to transfers, promotions, or position reclassifications and can be submitted anytime. However, requests must be submitted and approved no later than March 31 to be included in the July 1 fiscal year Employee Merit, or no later than June 30 to be included in the September 1 academic year Employee Merit. Any off-cycle compensation increases shall be made in consultation with the appropriate unit, and following a review and recommendation by Classification & Compensation and approval by the Chief Human Resources Officer.

3.7 Guidelines for Position-Based Changes

Establishing a New Position:

Prior to the establishment of a new position, the department must secure appropriate senior administrator budgetary approval through the procedure established by the department. Once approved, the department must initiate a HR Request to Recruit (RTR) web form. Classification & Compensation will review the position description accompanying the RTR, edit if necessary, and classify with an appropriate title and grade. Payroll & Records Management then assigns a position number, which prompts the online recruitment process.

All new positions in the classification system are formally established and classified prior to recruitment action. In addition to obtaining approvals in advance of the establishment of a new position, the hiring unit formulates a recruitment strategy in collaboration with the Recruitment Department (i.e. position announcement/posting, selection of search committee members). Additional information can be found on the UD jobs web page (http://www.udel.edu/udjobs/).
When the department is ready to select a candidate and propose a salary offer, justification for the salary amount is provided in the “comments” section of the web form. See Section 3 of these guidelines for additional information.

**Changes to Position Content**

It is essential to distinguish between a change in the content of a position and a change in the incumbent’s skill, knowledge, or performance. This section only applies to position content changes.

The content of a position may change in two possible ways (described in the chart below). Changes in compensation will be determined by the results of both market assessment and internal equity analyses. Any such change in compensation shall be made in consultation with the appropriate unit, and following a review and recommendation by Classification & Compensation and approval by the Chief Human Resources Officer.

Salary review requests related to in-grade salary adjustments (i.e. internal equity, market changes, increased scope and complexity of the position) must be approved by the appropriate senior administrator in advance of a review conducted by Classification & Compensation.

<table>
<thead>
<tr>
<th>Magnitude of Permanent Change</th>
<th>Impact on Compensation</th>
<th>Example(s)</th>
</tr>
</thead>
</table>
| Significant Change in Position Responsibilities    | • Compensation for additional duties assigned permanently should be calibrated to the magnitude of change.  
• Compensation change can vary from 0% to 4%.     | Additional tasks that add to the complexity of a position (e.g., responsibility for budgetary analysis) |
| Major and Substantive Changes Warranting a Position Reclassification | • Some changes or additions may impact the position description significantly enough to influence its market value or internal role.  
• These types of changes warrant a review to determine if a reclassification is appropriate.  
• Compensation change can vary from 0% to 10%. | Change in level of supervisory responsibility (e.g., team leader to supervisor) |

Note that minor changes to position duties or how work is done (e.g. changes to the tools or processes used to perform duties) do not normally warrant a compensation adjustment. While such changes may require training to learn new software or methods, they do not usually change the purpose or overall accountabilities of the position.

**Reclassification**

If the duties and responsibilities of a position change substantively, a review of the position’s grade assignment should be conducted. Performing additional responsibilities of higher complexity satisfactorily for a minimum of six months is expected before a request for reclassification is submitted. Benefits-eligible positions, grades 25 through 36 and 27S through 36S, are part of our Classification System. From time to time, shifting goals and initiatives may result in significant change to one or more positions within the unit. Reclassification requests may be submitted according to the following schedules effective December 15, 2013:
<table>
<thead>
<tr>
<th>Fall Semester</th>
<th>Spring Semester</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 15</td>
<td>December 15</td>
<td>Deadline for submission of reclassification documentation to Classification &amp; Compensation.</td>
</tr>
<tr>
<td>September 15</td>
<td>February 15</td>
<td>Supervisor notified of the determination by Classification &amp; Compensation.</td>
</tr>
<tr>
<td>September 30</td>
<td>February 28</td>
<td>Deadline for supervisor to appeal classification determination to Director of Compensation &amp; Benefits.</td>
</tr>
<tr>
<td>October 15</td>
<td>March 15</td>
<td>Director of Compensation &amp; Benefits notifies supervisor of appeal decision.</td>
</tr>
<tr>
<td>Within 3 business days of appeal decision</td>
<td>Within 3 business days of appeal decision</td>
<td>Second level of appeal submitted to Chief Human Resources Officer by the appropriate senior administrator.</td>
</tr>
<tr>
<td>Within 5 business days of second level appeal submission</td>
<td>Within 5 business days of second level appeal submission</td>
<td>Appeal decision complete and appropriate senior administrator notified of decision.</td>
</tr>
<tr>
<td>November 1</td>
<td>April 1</td>
<td>Effective date for any reclassification.</td>
</tr>
</tbody>
</table>

Requests for the reclassification of a position must be submitted to Classification & Compensation with the following information:

- A completed position reclassification form signed by both the staff member and his/her supervisor as well as written approval from the appropriate senior administrator. See Classification Process to obtain the request for reclassification form\(^1\);

- An updated position description (for assistance in preparing the position description, please see *Tips on Writing a Position Description* on the Classification & Compensation website\(^2\) to reflect the new responsibilities and any related qualifications. If this position currently exists, but responsibilities have changed, submit the old position description as well as a summary of what has changed;

- A current organizational chart; and

- The staff member’s current resume/cv.

Classification & Compensation Unit will conduct desk audits to understand and evaluate various competencies related to position responsibilities such as:

- **Planning:** refers to the scope, time frames, breadth and complexity of ongoing planning typically required in the position. It explores how far into the future a person is required to plan their highest level of work activities.

- **Communication:** identifies the responsibility for working with or through other persons to obtain results. The contacts or relationships may be inside or outside of the University. It considers why the contact is necessary, the importance and frequency of the contact(s),

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\(^1\) Reclassification form is available at: [http://www.udel.edu/hrclass/classification1.html](http://www.udel.edu/hrclass/classification1.html)

\(^2\) Tips on Writing a Position Description is available at: [http://www.udel.edu/hrclass/jobdesc2.html](http://www.udel.edu/hrclass/jobdesc2.html)
the amount of tact and persuasion typically required and whether the position must handle confidential information.

- Decisions made and discretion exercised: measures in terms of opportunity for independent action, the level of direction and supervision received as well as the variety, type and frequency of decision making.

- Problem solving: evaluates the level of problem solving required in the position ranging from problems of low impact that can typically be solved by following standard procedures to solving problems that require establishing new and non-standard approaches.

- Financial accountability including impact of actions on budgets, revenues and grants/impact of decisions: evaluates the impact the position has on operating budgets, revenues and grants. Budgetary responsibilities involve the amount of control over decisions regarding the allocation of the University’s available spending in the current fiscal year. Revenue impact refers to the amount and degree of effect over generating incoming funds to the University. Grant funds are those resources of the University that are generated through external sources typically used for research purposes. It also measures the amount of dollars impacted by the position.

- Complexity/analysis of records and reports prepared: measures in terms of the nature of the tasks performed and the reliance on policies and procedures, the extent of problem solving capabilities necessary, the level of analytic and organizational abilities required.

- Required knowledge, skills, and abilities: evaluates the depth and breadth of knowledge required by the position and measures the knowledge from the most basic skills to advanced knowledge in multiple professional disciplines.

- Training/certification(s) needed.

- Working conditions: provides information on the environment where the work is performed and the physical effort needed to perform the work.

- Materials and equipment used.

- Special duties performed sporadically.

Elements That Typically Do NOT Count in Position Analysis

- Personal financial need.
- Length of service.
- Personal qualifications exceeding position requirements.
- Personality.
- Volume of work produced.
- Unusual diligence or overtime work.

Determination

Classification & Compensation will make a determination on each request for reclassification and communicate its determination in writing to the supervisor.
**Appeal Process**
A written appeal may be submitted to the Director, Compensation & Benefits by the scheduled appeal deadline if the supervisor is not satisfied with Classification & Compensation determination. A written decision to the appeal shall be communicated by the Director, Compensation & Benefits to the supervisor by the scheduled appeal response deadline.

If the appeal is denied, the appropriate senior administrator may submit a second appeal to the Chief Human Resources Officer.

**Career Ladders**
A career ladder is a process designed to formally progress an employee to a higher level of job responsibility within his/her current position. Since the employee and the manager work together to progressively advance to the higher level of responsibility, there is no need for a competitive posting process or need to go through the reclassification process outlined above. Career ladders typically include the framework for potential career advancement as well as the submission/application, timeline, committee structure, review and appeal process.

There are no implied guarantees by the inclusion of a position in a career ladder. The Career Ladder has three basic preconditions: 1) the department must have a genuine need for the higher level work; 2) the target position classification must be included in an existing career ladder; 3) the employee must be both interested in the higher level work and able to demonstrate the potential to perform it successfully. Career ladder promotions are not based on time in a job and there is no provision for automatic promotion based on tenure or performance.

**Current Career Ladders:**
- Application Programmer
- Contract and Grant
- Cooperative Extension
- Database Administrator
- Help Center
- Information Resource Consultant
- Librarian
- Policy
- Psychologist
- Research
- Sea Grant Advisory
- University Nurse
- Web Developer
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3 Managing Employee Pay within the Salary Structure

4 Compensation Related Legislation
   • Equal Pay Act
   • Fair Labor Standards Act (FLSA)
   • Other relevant legislations/regulatory agencies

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4. Compensation Related Legislation

4.1 Equal Pay Act

The Equal Pay Act requires that men and women in the same workplace be given equal pay for equal work. The jobs need not be identical, but they must be substantially equal. Job content (not job titles) determines whether jobs are substantially equal. All forms of pay are covered by this law, including salary, overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and benefits. If there is an inequality in wages between men and women, employers may not reduce the wages of either sex to equalize their pay. For additional details: [http://www.eeoc.gov/laws/statutes/epa.cfm](http://www.eeoc.gov/laws/statutes/epa.cfm)

4.2 Fair Labor Standards Act

The Fair Labor Standards Act (“FLSA”) prescribes standards for minimum wage and overtime pay. It requires employers to pay covered employees who are not otherwise exempt at least the federal minimum wage and overtime pay of one-and-one-half times the regular rate of pay. In accordance with the FLSA, the classification of a position as exempt or non-exempt depends on the position’s content. It does not depend on how the employee (or manager) wants to classify the position. Classification & Compensation makes the final decision as to whether a position is exempt or non-exempt based on an analysis of the position as compared to the FLSA and corresponding federal regulations. For additional details: [http://www.dol.gov/whd/FLSA/](http://www.dol.gov/whd/FLSA/)

Overtime Compensation

As noted above, positions generally fall under one of two categories:

“Exempt” refers to positions that are excluded from the overtime requirements of the FLSA. This means that employees in such positions are not entitled to overtime compensation regardless of the number of hours worked.

Due to the critical nature of some job roles at the University, senior administration has approved overtime compensation and/or compensatory time for certain jobs:

“Non-exempt” refers to positions that are covered by the overtime requirements of the FLSA. This means that employees in non-exempt positions must be compensated for all hours worked. Hours worked up to 40 hours will be paid at a straight (regular hourly) time rate. Hours worked in excess of 40 will be paid at the overtime rate of one-and-one-half times the straight time rate, or with compensatory leave in lieu thereof. Prior to working beyond the normally scheduled hours, employees must obtain approval from their manager to work overtime.

In certain instances, based on the needs of the department, some overtime may be a condition of employment. In other situations, work schedules may be different from typical University business hours in order to provide evening and weekend coverage. Managers are responsible for
keeping employees apprised of the needs of the department and each employee’s expected schedule.

It is the responsibility of the manager to communicate when overtime is or is not appropriate. In order to adhere to budgetary constraints, managers should inform employees in advance of any limitation on the number of overtime hours permitted.

It is the responsibility of employees to follow managerial guidance and to work overtime only when it is approved by their manager.

**Time and Attendance**

In order to plan work, manage budgets and track time off, the University requires all managers to maintain accurate records of time and attendance for employees in their areas. Employees in non-exempt positions are required to maintain daily time and attendance records. Employees in exempt positions should record time away from work (e.g., vacation and sick time). Managers must ensure that all employees accurately record their time and attendance by the methods outlined in the *Time and Attendance Policy*.

### 4.3 Other relevant legislation/regulatory agencies

**The Age Discrimination in Employment Act of 1967**
For additional details: [http://www.eeoc.gov/laws/statutes/adea.cfm](http://www.eeoc.gov/laws/statutes/adea.cfm)

**Title VII of the Civil Rights Act of 1964**
For additional details: [http://www.eeoc.gov/laws/statutes/titlevii.cfm](http://www.eeoc.gov/laws/statutes/titlevii.cfm)

**Americans with Disabilities Act**
For additional details: [http://www.ada.gov/ada_title_I.htm](http://www.ada.gov/ada_title_I.htm)

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3 Managing Employee Pay within the Salary Structure
4 Compensation Related Legislation
5 Glossary
## 5. Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Ladder</td>
<td>A Career Ladder is a formal process designed to advance to a position within a job family with higher level of responsibility without competition and without moving to a different work unit.</td>
</tr>
<tr>
<td>Compensatory Time</td>
<td>Time off that is granted as compensation for working overtime.</td>
</tr>
<tr>
<td>Competitive Promotion</td>
<td>A competitive promotion occurs when an opening is filled through a candidate selection process and the selected internal candidate moves into a higher grade position.</td>
</tr>
<tr>
<td>Exempt</td>
<td>Refers to positions that are excluded from overtime requirements of the Fair Labor Standards Act. This means that employees in exempt positions are not entitled to overtime compensation regardless of the number of hours worked related to their job duties and salary.</td>
</tr>
<tr>
<td>Grade</td>
<td>Levels within the Salary Compensation structure used to classify positions based on market value and relative value within the University.</td>
</tr>
<tr>
<td>Internal Equity</td>
<td>Refers to perceived fairness of a pay structure as it relates to responsibilities, compensation, benefits, and working conditions compared with similar or like positions.</td>
</tr>
<tr>
<td>Job Description</td>
<td>A job description is a well-defined official written document of an employment position. A job description lists reporting structure, specific responsibilities, required knowledge, skills and abilities, and qualifications necessary to successfully perform position responsibilities.</td>
</tr>
<tr>
<td>Job Specification</td>
<td>A job specification lists the general responsibilities, knowledge, skills, education, experience, and abilities of a position.</td>
</tr>
<tr>
<td>Overtime Rate</td>
<td>One and one-half times an employee’s straight (regular hourly) time rate for hours in excess of 40.</td>
</tr>
<tr>
<td>Market</td>
<td>Market refers to an external group of employers and organizations used to determine competitive salary data.</td>
</tr>
<tr>
<td>Market-Reference Point</td>
<td>Compensation philosophy in which an organization chooses to benchmark to a percentile of the market.</td>
</tr>
<tr>
<td>Median</td>
<td>In compensation, the median is the middle of a monetary set that equally divides the number of salaries that are larger and smaller. For example, in a set containing nine salaries, the median would be the fifth salary.</td>
</tr>
<tr>
<td><strong>Non-Exempt</strong></td>
<td>Refers to positions that are covered by the overtime requirements of the Fair Labor Standards Act. This means that employees in non-exempt positions are entitled to paid overtime or compensatory leave for all hours worked beyond 40 hours in a week</td>
</tr>
<tr>
<td><strong>Position Description</strong></td>
<td>A formal, written document that describes the essential functions of a position as well as any requirements that an individual must meet in order to serve in the role (e.g., Bachelor’s degree, driver’s license)</td>
</tr>
<tr>
<td><strong>Straight Time</strong></td>
<td>The usual number of hours and the usual amount of pay for a period of work.</td>
</tr>
</tbody>
</table>