

Indiana State University
Salary Administrative Guidelines
Effective 2/16/2010

Purpose:

One of the major factors in assuring that the Total Rewards Program is effective is the maintenance of consistent procedures in the administration of the compensation plan. Therefore, ISU will establish guidelines for the routine day to day compensation decisions.

Procedures:

1. **Market Adjustments:**

- a. Market Adjustments are a mechanism through which starting salaries are adjusted for recruiting purposes.
- b. The amount of adjustment will vary as to the ability of the university to budget the dollars necessary to stay competitive with the market.
- c. Adjustments in salary will at least reflect the movement of staff to the minimum of the new market range.
- d. When possible adjustments will be made for staff below the midpoint in order to maintain equity and minimize the issues of compression.

2. **Hiring Rates of Pay:**

- a. An individual that meets the education and experience required by the job description will normally start at the minimum of the assigned salary grade. However if the range has not been moved to be competitive with the market the starting salary may be set within the first quartile of the range with consultation with Human Resources.
- b. An individual that has experience beyond that required for the position may receive credit for past experience. Experience that is directly related to the position for which the individual is being hired will be weighted more than experience that is not directly related. For nonexempt employees this will normally be no higher than 10% above the base of the range. If it is an exempt position the hiring rate will not be higher than the Midpoint of the assigned salary range.
- c. Any requests for exception will be made to the Compensation Director who will review based on equity considerations within the classifications and pay ranges in consultation with the AVP of Human Resources.

3. **Promotions:**

- a. An employee who receives a promotion to a job in a higher salary range will receive an increase in pay up to 10% of the new range midpoint, or the amount necessary to bring his/her salary to the minimum rate of the new salary range.
- b. An employee who has been moved more than one range may receive an increase of 15% of the range midpoint or to the minimum rate of the new salary range whichever is greater.
- c. Promotion increases may vary from the above due to the pay relationship among the employee and persons occupying identical and similar jobs, and his/her immediate supervisor.
- d. An employee receiving a promotion to a non-exempt position will be evaluated on his/her performance ninety (90) days after the promotion.

- e. An employee receiving a promotion to an exempt position will be evaluated on his/her performance six (6) months after the promotion.
4. Demotions:
- a. Voluntary Demotion:
 - i. If an employee voluntarily requests an assignment to a job in a lower salary range, and the university determines there is a clear benefit to the demotion, the employee's pay will be reduced by the amount necessary to ensure his/her relationship to the midpoint in the lower range is the same as the current relationship to the midpoint in the initial range.
 - ii. If the organization determines there is no clear organizational benefit to the employee's demotion, his/her pay will be reduced by an amount, which places it between the minimum and midpoint rate of the new range.
 - b. Non-voluntary Demotion:
 - i. When an employee is non-voluntarily demoted to a job in a lower salary range for performance-related reasons, his/her pay will be reduced by an amount, which places it between the minimum and midpoint rate of the new range. The exact amount of the reduction will be determined by the appropriate management person. However if there is a benefit to the university as a result of the qualifications of the employee they may be placed higher in the range if it can be justified. This is done on a case by case basis
 - ii. When an employee is non-voluntarily demoted to a job in a lower salary range, and the demotion does not involve performance-related issues, the employee's treatment will vary depending upon his/her qualifications for the new job. If fully qualified for the job in the lower salary range, he/she will continue to receive the same pay or pay equal to the maximum value of the lower range, whichever is lower. However, if he/she is not fully qualified for the job in the lower salary his/her pay will be reduced by an amount, which places it between the minimum and midpoint rate of the lower range.
5. Transfers (lateral moves):
- a. When an employee moves from one job classification to another job classification that is compensated in the same salary range, there normally is no pay adjustment. Unless it can be demonstrated that it is a clear benefit to the university, for an adjustment based on the expertise of the employee. This would be determined on a case by case basis in discussion with Human Resources.