

# The University of Wisconsin System

## UPS OPERATIONAL POLICY: TC 3



**SUBJECT:** Compensation

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**Original Issuance Date:** July 1, 2015  
**Last Revision Date:** April 2, 2018

### 1. POLICY PURPOSE:

The purpose of this policy is to outline procedures to be used when setting and adjusting salaries of UW System employees. These policies support the compensation philosophy described below and apply regardless of the source of funds supporting the salaries.

This policy does not address procedures to be used when implementing a Regent Pay Plan (see UPS Operational Policy [TC 4: 2017-19 UW System Pay Plan Distribution Guidelines for University Workforce](#)).

### 2. POLICY BACKGROUND:

#### Chapter 16

[Wis. Stat. § 16.417\(2\)\(f\)2](#) exempts an individual employed by the Board of Regents of the University of Wisconsin from the \$12,000 limit on the amount a **full-time** employee may earn during the employment period. This exemption applies only to compensation received with the System.

#### Chapter 36

[Wis. Stat. § 36.09\(1\)\(e\)](#) sets forth the basic statutory authority of the Regents to set salaries.

[Wis. Stat. § 36.115\(2\)](#) requires the Board of Regents to develop a personnel system that is separate and distinct from the personnel system under Wis. Stat. Chapter 230.

Before enactment of [Wis. Stat. § 36.115](#), [Wis. Stat. § 20.923\(4g\)](#) authorized the Board of Regents to establish and adjust the salary ranges for the System President, Senior Vice Presidents, the Chancellors, and Vice Chancellor (Provosts) at UW-Madison and UW-Milwaukee. However the salary ranges for the Vice Presidents and the Vice Chancellors (Provosts) at the comprehensive institutions, UW-Extension and UW Colleges were approved by the Joint Committee on Employment Relations. Effective July 1, 2015, under [Wis. Stat § 36.115 \(3m\)](#), the Board of Regents is now authorized to also set the salary ranges for the Vice Presidents and all the Vice Chancellors (Provosts).

Effective July 1, 2015, [Wis. Stat § 36.115](#) also authorizes Board of Regents to assign non-deputy Vice Chancellors, and other officers with modified chancellor and vice president titles to salary ranges that had previously been a requirement of [Wis. Stat. § 20.923\(5\)](#).

[Wis. Stat. § 36.09\(1\)\(h\)](#) directs the Board of Regents to allocate funds to the institutions giving consideration to the principle of equitable compensation for faculty and academic staff with comparable training, experience and responsibilities and recognizing the competitive ability to recruit and retain qualified faculty and academic staff.

[Wis. Stat. § 36.09\(1\)\(j\)](#) provides that the Regents shall set the salaries of unclassified staff prior to July 1 of each year and shall designate the effective dates for payment of the new rates.

Effective July 1, 2015, [Wis. Stat. § 36.09\(1\)\(k\)](#) requiring the Board of Regents to establish an academic staff title and salary range system was repealed by 2011 Wis. Act 32, as affected by 2013 Wis. Act 20, § 2365m and 9448.

### **Regent Policy Documents and Resolutions**

From several Regent actions over the years, basic salary administration guidelines have evolved in the area of authority and responsibility delegated by the Board to the System President and the Chancellors.

[Regent Policy Document 6-3: Delegation of Authority to President for Personnel Actions](#) delegates to the System President, authority to approve personnel transactions in which the planned rate of pay does not exceed 75% of the salary of the UW System President except for senior executives covered by [Regent Policy Document 6-5](#). Effective June 27, 2000, the System President further delegated this authority to each Chancellor.

[Regent Policy Document 6-5: Executive Salary Structure](#) serves to fulfill the Regents' obligations under [Wis. Stat. § 36.115 \(3m\)](#) to set the salary ranges of the System President, Senior Vice Presidents, Vice Presidents, Chancellors and Vice Chancellors.

[Regent Resolution #5980](#) (adopted December 6, 1991) affirms the delegated authority of the President to monitor and maintain the unclassified title and salary structure and affirms the responsibility of the System President to take any and all necessary actions to ensure consistent use of the title and salary structure among the institutions.

Regent Resolutions [8167](#) (adopted June 9, 2000); [9058](#) (adopted September 9, 2005); [9938](#) (adopted June 10, 2011); [9910](#) (adopted April 8, 2011); and [9950](#) (adopted July 15, 2011) that authorized additional delegations are discussed in more detail in the policy section of this document. Additionally, UPS Operational Policy, GEN 1, Authority for Personnel Actions, further details the authority delegated to the President and the Chancellors.

Prior to July 1, 2015, the University of Wisconsin System [Unclassified Personnel Guideline # 4 Unclassified Compensation](#) presented the laws, rules, policies and practices pertaining to salary setting and salary adjustments for limited appointees, faculty and academic staff members, while the State of Wisconsin Compensation Plan contained the provisions governing salary transactions for university classified employees.

Effective July 1, 2015, the compensation policies and guidelines outlined in this operational policy are for all UW System employees. Please see UPS Operational Policy [TC 4: 2017-19 UW System Pay Plan Distribution Guidelines for University Workforce](#) for pay plan details.

### **3. POLICY DEFINITIONS:**

Please see the Definitions Operational Policy for a list of general terms and definitions.

#### **Definitions specific to this policy:**

“Institution base funds” means institutional funds that are part of an institution’s budget, not part of Board of Regents pay plan funds.

“Compensatory time” means time off the job which is earned and accrued by an employee in lieu of immediate cash payment for overtime in accordance with FLSA.

“Overtime” means any hours worked over forty (40) in a work week by an FLSA non-exempt employee.

“Premium rate” means the regular hourly rate plus .5 times the regular rate paid the FLSA non-exempt employee.

“Range spread” means the percent difference from the midpoint of the range to the minimum and maximum

“Regular rate” means the average hourly rate actually paid the employee as straight time pay for all hours worked in the workweek or work period, including all remuneration for employment paid to, or on behalf of, the employee, except any payments specifically excluded from the calculation of the regular rate under the FLSA and related federal regulations.

“Work hours” means work time as directed by the appointing authority during which an employee must be on duty and/or at a prescribed place of work.

“Range Minimum” is the lowest salary that will be paid to individuals qualified to hold positions in the range.

“Range Mid-Point” is the salary that represents the middle of the range i.e. the salary is equidistant to the minimum of the range and the maximum of the range.

“Range Maximum” is the highest salary that can be paid to individuals holding positions in a range. A salary above range maximum will be “red-circled” until adjustments to the salary structure bring it to within range. A range maximum can be exceeded if an extraordinary salary range is approved.

**4. POLICY:****UW System Compensation Philosophy**

In order to fulfill its mission, the UW System shall maintain a comprehensive compensation program directed toward attracting, retaining and rewarding a qualified and diverse workforce. Employee compensation shall be externally competitive, internally equitable, and shall reward contribution, recognize quality performance, and encourage growth and development.

UW System Compensation Objectives

1. Provide a comprehensive compensation package that includes salary and benefits.
2. Recruit and retain a highly skilled and diverse workforce through a competitive salary package and reward them by providing opportunities to learn, grow, and develop professionally.
3. Encourage and reward excellent performance by individual staff or teams by recognizing efforts that meet the mission of the individual UW institution through pay for performance, and recognizing university service when it is a contributing factor to performance effectiveness.
4. Encourage growth and development by providing for pay increases related to expanded duties and responsibilities and/or newly acquired skills and experiences.
5. Provide flexibility appropriate to the dynamic challenges facing the university and to differences across the schools, colleges and UW institutions.
6. Promote fiscally responsible pay decisions and ensure compliance with applicable laws and statutory requirements.
7. Ensure that all jobs of like responsibility and labor market conditions are paid within comparable pay ranges/grades based on an evaluation of each job and relevant market data; and individuals with comparable backgrounds (experience, skills, ability, and education) are hired at comparable pay for the same or a similar job.
8. Assure that all employees at each UW System institution are fully informed of principles, goals, design, procedures, and relevant external market information used to set compensation.
9. Review compensation practices as the workforce evolves over time to ensure that the intended objectives are met.
10. Each UW institution has the responsibility for determining compensation and ensuring pay practices comply with applicable laws and statutory requirements and are consistent across the institution.

This policy is composed of the following sections:

- A. Compensation Categories
- B. General Salary Administration Guidelines
- C. Salary Adjustments Outside of the Board of Regents Approved Pay Plan
- D. Temporary Base Adjustments, Overtime, Overload Payments, and Summer Payments for Academic Year Appointments
- E. Additional Pay Components for FLSA Nonexempt University Staff
- F. Pay Components Pertaining to Crafts Workers
- G. Miscellaneous Provisions

UW institutions may further define compensation parameters within the guidelines of this policy to address institution-specific needs for any or all of the pay structure mechanisms as long as the parameters are communicated to employees and consistency of application is maintained. Each UW institution Chancellor shall be responsible for the consistent application of and compliance to this policy.

UW System Human Resources will monitor compensation practices throughout UW System to ensure compliance with this policy.

## **TWO IMPORTANT NOTES:**

Retroactive salary adjustments for personnel transactions are prohibited per [Art. IV, § 26, Wisconsin Constitution](#). However, the institution may establish a personnel transaction policy that establishes an effective date based on the date that documented materials are received by an appointing authority or office.

Payment prior to work being performed is prohibited per [Wis. Stat. § 109.03\(1\)](#).

## **A. COMPENSATION CATEGORIES**

There are eight broad compensation categories: A, B, C, D, E, F, G, and H. These categories address the compensation needs and practices of the seven employee categories described in UPS Operational Policy HR 2, Designation of Positions.

### **1. Compensation Category A**

Compensation Category A refers to the salary grade structure composed of 13 salary ranges, each with a dollar value minimum and a dollar value maximum (see [Appendix 1, Category A Salary Ranges](#)). Administrative Directors, Administrative Officers, Program Managers and Professional academic staff title groups are assigned to Category A. Quantitative evaluation systems are directly applicable to the positions found in these title groups. The work levels typically reflect both personal growth and assumption of some level of managerial responsibility. As a result, the compensable factors include both recognition of education and experience as well as rewards for impact on an organization and the level of managerial responsibility assumed. The salary grade assignment of each title is determined by the duties and responsibilities at the full performance level. In the Administrative Director group, the Associate and Assistant prefixes are assigned one and two grades, respectively, below the rating level of the Director. In the Professional group, the Associate prefix is assigned one grade below the rating level of the No-Prefix level and the Senior and Distinguished prefixes are assigned one and two grades above the No-Prefix salary grade.

The dollar values of the salary ranges were derived from a market survey of comparable positions in the external competitive market. The midpoint of each salary range reflects an estimate of the market rates paid for comparable positions assigned to the same salary grade. The salary range structure for Category A jobs uses the standard 40% "range spread" with the salary range minimum set at 80% of the range midpoint and the salary range maximum set at 120% of the range midpoint. The dollar values of the pay ranges are determined by the biennial pay plan recommended and approved by the Board of Regents.

### **2. Compensation Category B**

Compensation Category B refers to the salary structure applicable to Instructional (except Emeritus/Emerita and Military Science faculty) and Research academic staff titles (see [Appendix 2, Category B Minimum Salaries](#)). It is a structure of salary minima linkages to the ranked faculty salary minima. Individuals holding these titles do some portion of the work of faculty members and the jobs are defined in terms of a particular academic discipline. Typically, compensation awards are based on educational and experience levels plus ongoing personal development and growth. Moreover, given the nature of the work assigned, title evaluation is not appropriate for Category B. Titles in this compensation category cover all academic disciplines. In the academic job market, these disciplines carry widely varying levels of compensation. Attempting to cover such a wide range of salary levels within salary range minima and maxima would result in ranges so wide as to

be unworkable. As a result, only minima are appropriate for Instructional and Research academic staff titles. This situation is directly parallel to the use of salary minima (but not maxima) for the faculty ranks. The percentage linkages to ranked faculty are designed to reflect historical salary relationships between these positions and ranked faculty. Therefore, "target" salaries for Compensation Category B positions should reflect the appropriate relationship to the rank average salary within the discipline, school or college.

### **3. Compensation Category C**

In general, this compensation category is for specially defined or statutorily mandated positions. Although a salary range structure may apply, salary range assignments are not set for Academic Administrators, Academic Program Directors, Emeritus/Emerita and Military Science faculty, and Other Academic Staff/Limited title groups are placed in this compensation category.

### **4. Compensation Category D**

Compensation Category D refers to salary structures applicable to the Faculty, Employees-in-Training, Graduate Student Assistants, and Other Special Use title groups. Although the UW System establishes minimum salary levels for ranked faculty ([see Appendix 3, Faculty Salary Minima](#)), each institution is free to establish a salary structure that exceeds those minima. Stipend rates for graduate student assistants are established at the institution.

### **5. Compensation Category E**

Compensation Category E refers to the salary structure applicable to Executive Staff. The Board of Regents shall establish the salary ranges as provided in [Regent Policy Document 6-5](#) (see [Appendix 4, Executive Salary Ranges](#)).

### **6. Compensation Category F**

Compensation Category F refers to the salary structure applicable to the university staff (see [Appendix 5, University Staff Salary Ranges](#)) other than Crafts Workers (see Compensation Category G). The salary structure is comprised of 15 pay schedules, each with a unique number of salary ranges and each range having an established dollar value minimum and dollar value maximum. University staff titles are assigned to one of the 15 pay schedules and a specific salary range within the schedule based on the previous assignment made by the Office of State Employment Relations.

### **7. Compensation Category G**

Compensation Category G refers to the salary structure applicable to university staff Crafts Workers (see [Appendix 6 Crafts Worker Rates](#)).

### **8. Compensation Category H**

Compensation Category H refers to the salary structure for student hourly employees. Student hourly rates are established by the institutions.

## **B. GENERAL SALARY ADMINISTRATION GUIDELINES**

### **1. Delegation of Personnel Transaction Authority**

Pursuant to [Regent Policy Document 6-3](#), the President received delegated authority from the Board of Regents to approve personnel transactions involving positions in which the salary does not exceed 75% of the UW System President's salary. On June 27, 2000, the System President extended this

delegated authority to the Chancellors to the extent that Chancellors may approve personnel transactions involving positions in which the salary does not exceed 75% of the President's salary.

Personnel transactions involving positions in which the salary exceeds 75% of the UW System President's salary, should be submitted to UW System Human Resources for review and forwarding to the Board of Regents for approval. Typically the Regents will be asked to approve a salary range that will be used with the recruitment process. If prior approval has not been granted, the Regents will be asked for salary approval before any public statement of a salary offer that exceeds 75% of the President's salary.

As outlined in [Regent Policy Document 6-5](#), the Board approves the starting salary of Chancellors at the time of hire. The System President shall set the starting salary for an interim Chancellor appointment, after consultation with the Board of Regents President and Vice President. Board approval is required for interim appointments only when the salary is outside the established Board of Regents salary range.

[Regent Resolution #9058](#) (adopted September 9, 2005) directed that the Board of Regents shall review and approve as appropriate the total compensation package for the President and each Chancellor

Per [Regent Policy Document 6-5](#), the Board delegated to the UW System President the authority to set and approve the starting salaries of newly hired Provosts/Vice Chancellors (deputy), Senior Vice Presidents and Vice Presidents provided the salary is within the approved Board salary range and not above 75% of the System President's Salary. The President further delegates to UW Chancellors the authority to set and approve new and interim Provosts/Vice Chancellors (deputy) provided the salaries that fall within the approved Board salary range and not above 75% of the System President's salary.

Per [Regent Policy Document 6-5](#), salary increases for the UW System President and continuing Chancellors will be awarded in conformance with the approved pay plan and approved by the Board of Regents when salary increases are considered for all other UWS employees. At any other times throughout the year, the Board may authorize salary increases to correct a salary inequity or to recognize competitive factors as allowed by law.

[Regent Policy Document 6-5](#) states that salary increases for continuing Senior Vice Presidents, Vice Presidents and Provosts/Vice Chancellors (deputy) will be awarded in conformance with the approved pay plan and approved by the System President unless the salary is 75% of the System President's salary. The System President further delegates to the UW Chancellors the authority to approve Provosts/Vice Chancellors' (deputy) pay plan and base adjustments within the Board approved pay ranges and not above 75% of the System President's salary.

In addition, the Board delegates to the UW System President the authority and discretion to make a base adjustment up to a specified level within six to nine months of the date of hire for the other senior executives as outlined in [Regent Policy Document 6-5](#).

[Regent Resolution #9938](#) (adopted June 10, 2011) endorsed the President's delegation of the following salary flexibilities provided the salary is not above 75% of the President's salary:

- to the UW College and UW-Extension Chancellor to appoint and set the salary of the UW Colleges Interim Deans and the State Geologist; and
- to the UW-Madison Chancellor to appoint and set the salary of the Director of the State Laboratory of Hygiene, the Director of the Psychiatric Institute, and the State Cartographer.

[Regent Resolution #9950](#) (adopted July 15, 2011) endorsed the President's delegation of the following salary flexibility provided the salary is not above 75% of the President's salary:

- the UW Colleges and UW-Extension Chancellor to set the salary for the UW College Deans.

[Regent Resolution #9950](#) (adopted July 15, 2011) also endorsed the President's delegation to the UW Chancellors to establish institution-specific peer institutions for market salary comparisons.

[Regent Resolution #8167](#) (adopted June 9, 2000) delegates to the UW System President authority to assign officers with modified Chancellor and Vice President titles to salary ranges pursuant to the requirements of [Wis. Stat. § 20.923\(5\)](#). The assignment of officer positions to salary ranges is based on functions performed, scope of responsibility, span of institutional influence, inter-institutional equity, and market factors. [Regent Resolution #9950](#) (adopted July 15, 2011) further delegates to the UW Chancellors the authority to assign a UW System salary range to modified Chancellor titles.

[Regent Resolution #9058](#) (adopted September 9, 2005) directed that all UW institutions shall be required to seek approval from the UW System President for all settlements involving the termination of a limited appointment. Such settlements shall be reported to the Board of Regents.

## **2. Authority to Establish Salaries Within Pay Ranges and Salary Range Limits**

- Chancellors have the authority to set salaries within the established pay range for the position title, subject to the above-noted limitation relative to the President's salary. If desired, institution-specific ranges may be established; however those range minima and/or maxima cannot fall outside the established ranges. In addition to institution-specific ranges, institution-specific guidelines for setting salary rates may be established.
- Unless an extraordinary salary range (ESR) has been established, no salary rate may be set outside of the established pay range for the title assigned. For example:
  - In the event of a promotion or title change, the salary rate must be equal to or greater than the salary range minimum for the new title.
  - In the event an employee accepts or is placed in a position assigned to a lower salary range, the new salary shall be set at a rate not exceeding the new salary range maximum.
  - In the event a new salary range minimum is established, the salaries of all employees under the new minimum will be brought up to the new minimum.

## **3. Extraordinary Salary Ranges**

Although the salary range structure is designed to accommodate general market demands, there are significant market conditions for certain positions that require an extraordinary salary range in order to address documented recruitment and retention needs. [Regent Resolution #9950](#) (adopted July 15, 2011) provides the UW Chancellors the delegated authority to establish extraordinary salary ranges when the salary range assigned to the title does not adequately address the market conditions and affects recruitment and retention needs. The extraordinary salary range should be based on salaries paid for comparable positions in the external market.

## **4. Faculty Member Movement to and from an Administrative Position**

- Faculty members who assume an administrative position for more than 50% time must be assigned to the appropriate administrative salary range for that position, and the salary for such appointment shall be within the salary range limits, if applicable.



- b. As directed by [Regent Resolution #9058](#) (adopted September 9, 2005) when a ranked faculty member leaves an administrative limited appointment to return to his/her faculty position, the faculty member will be compensated at a salary rate consistent with other faculty members of the same rank in the department when considering years of service, previous salary as a faculty member, length of time served as an administrator and other factors normally considered when setting faculty salaries. [Regent Resolution #9950](#) (adopted July 15, 2011) delegates to the UW Chancellors the authority to approve the faculty salary when an administrator returns to a faculty position.
- c. [Regent Resolution #9058](#) (adopted September 9, 2005) further directs that limited appointees returning to the faculty from an administrative position, who are provided with transition time for teaching preparation must develop the equivalent of a sabbatical proposal clearly outlining the work to be accomplished during the transition time and a report of work accomplished during the transition period. The transition period should be no longer than one academic semester unless the person has served in a limited position for five or more years, whereby two academic semesters may be allowed. UW System approval of the transition plan is not required. However, the transition plan and subsequent report of work accomplished should be maintained in the institution's files and be available if there should be an audit of compliance with this policy.

#### **5. Academic Staff Member Movement to and from a Limited Appointment**

An academic staff member who assumed a limited appointment for 50% or more time must be assigned to the appropriate administrative salary range for that position, and the salary for such appointment shall be within the salary range limits of the assigned position. When an academic staff member leaves a limited position and the concurrent academic staff appointment does not specify a title and salary range, the title and salary range shall be determined based on the functions to be performed in the academic staff appointment, and the salary upon return to an academic staff position shall be established within the salary range limits.

#### **6. Acting or Interim Appointment Salaries for Administrators**

- a) Administrators serve at the executive/policy making level so it is extremely important for an acting appointee to maintain leadership continuity during a temporary leave of absence or during the search and screen process. The salary offered to an individual to serve on an acting or interim basis can be an important factor in securing the temporary services of a highly qualified person.
- b) The following human resource compensation principles should be considered in setting the salary for acting appointments:
  - i. An evaluation should be made to ensure that, to the extent possible, the salary offered for an acting assignment does not create inequities with comparable positions both within and between institutions in the UW System.
  - ii. When a permanent appointment is made, the acting or interim appointee can expect to be returned to his/her former position at a salary consistent with the salary the person had before assuming the acting appointment, plus any increases that the person would have received but for accepting the acting responsibility.

#### **6. Executive Salary Structure**

- a) The Board of Regents establishes the salary ranges for the President, Senior Vice Presidents, Vice Presidents, and Provosts/Vice Chancellors (Deputy) as outlined in [Regent Policy 6-5](#).

- b) Per [Regent Policy 6-5](#), Chancellors have been delegated the authority to (1) set new and interim Provost/Vice Chancellor salaries, and (2) approve Provosts/Vice Chancellors (deputy) pay plans and base adjustments within the Board approved salary range and not above 75% of the UW System President's salary.
- c) The President has been delegated the authority to set salaries of the Senior Vice Presidents and Vice Presidents within the approved Board salary range and not above 75% of the System President's Salary (see [Regent Policy 6-5](#)).

## 7. University Staff Temporary Employment

- a) University staff temporary employees must be paid at least the state or federal minimum wage, whichever is greater, unless a lower wage is authorized pursuant to [Section 14 of the Fair Labor Standards Act](#) and [Wis. Stat. § 104.07](#). The salary of a university staff temporary employee may not exceed the established pay range maxima for the title assigned. The rate determination should take into consideration the pay of similar university staff who have an expectation of continued employment.
- b) University staff temporary employees are all nonexempt from the FLSA and must be paid for hours worked and must be paid at the premium rate for all hours worked over 40 in a workweek (or 80 hours in a pay period for law enforcement officers). Compensatory time credits may not be provided in lieu of overtime payment to a university staff temporary employee.
- c) University staff temporary employees may receive the supplemental pay identified in the Additional Pay Components for FLSA Nonexempt University Staff section of this policy.

See UPS Operational Policy [HR 7: University Staff Temporary & Project Employees](#) for more information.

## C. SALARY ADJUSTMENTS OUTSIDE OF THE STATE APPROVED PAY PLAN

As outlined [Wis. Stat. § 36.09\(1\)\(j\)](#), the Board of Regents may not increase the salaries of employees unless the salary increase conforms to the proposal as approved under [Wis. Stat. § 230.12\(3\)\(e\)](#). However, the Board may authorize the use of base funds to recognize (a) merit, (b) correct salary inequities, (c) fund job reclassifications and promotions, and (d) recognize competitive factors.

It is critical that each UW institution have published guidelines on granting salary adjustments outside of the Board of Regents approved pay plan. Each UW Chancellor is responsible for seeking input from the appropriate governance groups on pay plan recommendations. Institution base funds may be used to increase salaries beyond the approved pay plan for a number of reasons including, but not limited to, those identified below. The adjustments may be either base-building or lump sum.

Employees in a recognized bargaining unit are not eligible to receive state approved compensation plan pay increases, but are eligible to receive lump sum payments outside of the state approved pay plan.

- **Title and/or Salary Range Changes Due to Career Progression**

Institution base funds may be used to increase salaries that accompany salary range advancement in a career progression track.

- **Major Changes in Duties Resulting in Title Change**

Institution base funds may be used for salary increases that accompany major changes in duties that result in a title change.

- **Major Changes in Duties Resulting in Within-Range Salary Change**

Institution base funds may be used for salary increases that accompany major changes in duties in cases where the current title remains appropriate.

- **Response to Competitive Factors**

Institution base funds may be used to support salary increases to retain faculty, academic staff, university staff and limited appointees.

- **Remedy Inequitable Compensation**

Institution base funds may be used to correct salary inequities in documented, individual and group cases.

- **Merit (exceptional performance)**

Institution base funds may be used to support salary increases related to employee recognition for superior and meritorious performance.

Merit criteria/factors to consider include but are not limited to:

- Length or frequency of the outstanding performance.
- Overall significance or importance of the employee's work products to the organization.
- Regularity with which the outstanding performance or unique contribution is demonstrated (e.g., an employee who routinely demonstrates exceptional performance and performs special projects on an ongoing basis, as compared to an employee who completes a one-time special project).
- Whether the employee has acquired additional competencies (e.g., educational attainment, certifications, etc.), which are both specialized and critical in carrying out the permanent functions of the position.

## **D. TEMPORARY BASE SALARY ADJUSTMENTS, OVERTIME, OVERLOAD PAYMENTS, AND SUMMER PAYMENTS FOR ACADEMIC YEAR APPOINTMENTS**

Situations exist for which payment above the ordinary rate is appropriate or mandated by law.

### **1. Temporary Base Salary Adjustments**

- a) Temporary base salary adjustments may be utilized in cases where an employee assumes temporary responsibilities. The level of the base salary adjustment should be appropriate for the new assignment. Temporary base salary adjustments are not overload payments.
- b) Additionally, a temporary base salary adjustment may be used as a mechanism to acknowledge a special qualification or job attribute that is not permanent or is seasonal. For example, a police officer may receive a temporary base salary adjustment for horseback duties since these would be performed on a seasonal basis. It is expected that in most cases compensation for a special qualification or job attribute would be on a permanent basis and would, therefore, be addressed as an adjustment meeting the requirement of the final bullet under Section C, Exceptional Performance.
- c) Faculty, academic staff, university staff and limited appointees are eligible for temporary adjustments to their base salaries.

### **2. Overtime for University Staff Who Are Not Exempt From the Overtime Provisions of the Fair Labor Standards Act (FLSA)**

- a) Designation of employees as exempt or nonexempt will be done by the UW institution and will be in accordance with the FLSA. Designation of an employee's FLSA status is based on an employee's primary duty. Employees with multiple jobs may have only one FLSA status.
- b) Except for law enforcement officers, FLSA nonexempt employees must be paid at a premium rate or receive compensatory time credits at a rate of 1.5 hours per hour worked for each hour worked in excess of 40 hours in a workweek. Hours worked do not include hours of paid leave. Law enforcement officers must be paid at a premium rate or receive compensatory time credits at a rate of 1.5 hours per hour worked, for each hour worked in excess of 80 hours in a 2-week pay period.
- c) Payment of overtime at a premium rate shall be paid in addition to the premium rate paid for work performed on a legal holiday during the same workweek (or pay period in the case of law enforcement officers).
- d) ***Compensatory Time in Lieu of Overtime Payment***
  - Unless agreed to otherwise, the UW institution has the authority to decide whether to provide compensatory time credits as payment for overtime rather than cash payment.
  - UW System employers will have discretion to approve scheduled use of compensatory time. The FLSA, however, provides that employees may be allowed to take accrued compensatory time off within a reasonable period after the leave is requested if the use does not "unduly disrupt" the operations of the public employer. It is **not** considered "unduly disruptive" if the use of compensatory time by one employee would create overtime for another employee.
  - Employees will be allowed to accumulate up to 80 hours of compensatory time. Compensatory time accrues at one and one-half times for each hour worked over 40 in a

week. Any overtime hours worked which if compensated for in compensatory time would result in that limit being exceeded must be paid in cash at the premium rate.

- Any compensatory time earned in a calendar year which is unused by April 30 of the following calendar year will be converted to cash payment and included in the earnings for the pay period that includes May 1.

### **3. Overload Payments for Faculty, Academic Staff, FLSA Exempt University Staff, and Limited Appointees**

Effective July 1, 2013 [Wis. Stat. § 16.417\(2\)\(f\)](#) states that the \$12,000 overload cap does not apply to individuals employed by the UW System *but only with respect to compensation received within the System*. The \$12,000 cap continues to apply for compensation earned by a UW System employee at any other state agency, although it does not apply to compensation earned at private organizations.

The salary received by full-time faculty, academic staff, FLSA exempt university staff, and limited appointees is considered to be full compensation for all work during the period of appointment. Faculty, academic staff, FLSA exempt university staff and limited appointees exempt from the provisions of the Fair Labor Standards Act are expected to expend the total effort necessary to complete their assignments without additional compensation. The chancellor or designee may approve increased compensation in the form of an overload payment in cases where a temporary assignment is undertaken at another UW System institution, or an individual is asked to assume additional short-term responsibilities.

In general, options such as adjustments in the employee's other duties in order to release time to meet new responsibilities; a temporary base adjustment; or a purchase-of-load arrangement in which funds are transferred into an employee's department or unit as a purchase of institutional time from the department or unit should be considered before overload payments are granted.

However, there are instances in which asking an employee to do more than his/her appointment requires is the only viable alternative and overload compensation is appropriate. There may also be other situations in which the individual is asked to assume, on a temporary basis, different duties and responsibilities within the full time appointment period such that the base salary for performing those functions needs to be examined. (See below for temporary base salary adjustments.) **Note:** An overload is not permissible for an employee who is paid in some part on a federal grant unless it is agreed upon in the grant proposal document approved by the granting agency, or unless the granting agency approves the specific overload circumstance in writing. ([OMB circular A-21 J.10.d\(1\)](#).)

Institutions are encouraged to develop institution specific overload policies within this UW System policy.

#### **Overloads**

- (1) Overload payments may be made where with the consent of the employee, substantial additional work requirements are added to the existing duties of a full-time employee creating a workload in excess of 100% of the employee's time and the performance of these additional duties is unusual, short-time or nonrecurring in nature.
- (2) Overload payments may also be made where a full-time employee of one UW System institution accepts an institution-approved part-time appointment to perform duties at another UW System institution in addition to his/her full-time position (Financial Administration Policy F18: [Inter-institutional Financial Transactions](#) details the procedures for payment between institutions).

- (3) If a staff member is not full-time, additional compensation is not considered an overload.
- (4) Overload payments must be approved, in advance, by the chancellor or designee.
- (5) Overload compensation may not exceed the higher of either 20 percent of the employee's academic (c-basis/9 month) salary base or annual (a-basis/12 month) salary base or \$18,000 unless the chancellor or designee determines that good cause exists to exceed this threshold and issues an exception in writing.
- (6) Overload maxima are calculated on a fiscal year basis.
- (7) Summer compensation (see Financial [Administrative Policy F29: Salary and Fringe Benefits Calculations for Unclassified Staff](#)) for the calculation of summer salary for academic year (c-basis/9-month) employees is not considered an overload for the purposes of this policy.

• **Summer Payments for Academic Year Appointments**

Each UW Institution may have staff that are on an academic year contract, but required to work during the summer. Staff on academic year contracts are compensated for summer session assignments at the rate up to the equivalent of 2/9<sup>ths</sup> of the previous academic year salary rate for a full work load of an eight week summer session. All summer payments, whether summer session and/or summer service are counted in the 2/9<sup>ths</sup> rule. Compensation received in a summer period may not in aggregate exceed 2/9<sup>ths</sup> of the previous academic year salary unless explicit exception is granted by the Chancellor or designee, regardless of the sources of funds. See [Financial Administration Policy F29: Salary and Fringe Benefits Calculations for Unclassified Staff](#) for more information.

**E. ADDITIONAL PAY COMPONENTS FOR FLSA NONEXEMPT UNIVERSITY STAFF**

There are pay components for which only FLSA nonexempt university staff are eligible. These pay components are consistent with the nature of the hourly salary structure of FLSA nonexempt university staff employees.

**1. Night Differential**

Forty-five cents (\$0.45) per hour for all hours worked between the hours of 6:00 p.m. and 6:00 a.m.

**2. Weekend Differential**

Sixty cents (\$0.60) per hour for all weekend hours worked (i.e., work hours between the hours of 12:01 a.m. on Saturday and 12:00 midnight on Sunday).

**3. Standby Pay**

When an employee is required by the institution's administrators to be available for work and able to report to work in less than one hour, the employee will receive \$2.25 for each hour in standby status.

**4. Call-Back/Call-In Pay**

A minimum of two hours pay is guaranteed when an employee is called back for duty or called in on the employee's day off.

**5. Calls at Home**

If the Employer contacts the employee at home for the purpose of discussing job-related business, the employee shall be credited with work time for all such calls. In no case shall the

employee receive less than a single one-half (1/2) hour credit per day for such calls under this section.

- a) For purposes of this section, examples of job-related business calls include:
  - i. Calls regarding specific patient treatment procedures,
  - ii. Questions regarding operation of equipment,
  - iii. Clarification of instructions,
  - iv. Repair procedures.
- b) Examples of non-job-related business calls include:
  - i. Calls made to call an employee back to work,
  - ii. Availability for overtime,
  - iii. Scheduling changes.

**6. Legal Holiday Premium**

Compensatory time off or payment at the premium rate will be granted for hours worked on days identified as legal holidays in UPS Operational Policy [BN 2: Personal Holiday & Legal Holiday Administration](#).

**F. PAY COMPONENTS PERTAINING TO CRAFTS WORKERS**

See UPS Operational Policy [GEN 21: Crafts Workers](#) for the compensation structure for Crafts Workers.

**G. MISCELLANEOUS PROVISIONS**

This section contains provisions for payment, which are outside the parameters of the other sections.

**1. Leave Payout**

Upon termination, employee leave balances will be reviewed and eligible leave balances will be converted to cash payment to be included in the employee's final regular paycheck or a supplemental paycheck. The guidelines for this payout are found in UPS Operational Policies: [BN 1 Vacation, Paid Leave Banks, and Vacation Cash Payouts](#), and [BN 2 Personal Holiday and Legal Holiday Administration](#).

**2. Reimbursement for Damaged Personal Articles**

The UW institution may reimburse its employees for the cost of repairing or replacing articles of clothing, watches, or eye glasses damaged in the line of duty if such damage is not caused by employee carelessness or normal wear and tear resulting from the type of work performed by the employee. Payments under this section are subject to the approval of the Chancellor or his/her designee and are likely taxable.

**a) Determination of Value**

The appointing authority shall determine the value of damaged personal articles at the time damage occurs. If the appointing authority determines that the personal articles are damaged beyond repair, the reimbursement amount shall not exceed the actual replacement value, less depreciation, of the damaged articles.

**b) Reimbursement Limitations**

The reimbursement amount shall not exceed \$100.00 for any one incident except that reimbursement for watches shall not exceed \$75.00.

These provisions shall not apply to articles where the actual replacement value, less depreciation, or repair cost is less than \$10.00.

**3. Safety Equipment**

Employees shall be reimbursed, in accordance with institution policy, for safety and protective equipment if, in the performance of their assigned duties, the equipment is required by the employer. These payments are likely taxable.

**a) Protective Clothing**

The employer shall furnish, in accordance with institutional limits, required protective clothing and equipment necessary for the performance of assigned duties. Such equipment shall be in accordance with the standards established by regulating agencies.

**b) Protective Shoes**

If the employer requires the purchase of safety shoes necessary in the performance of assigned duties, the employer shall pay an allowance, in accordance with institutional limits, toward such purchase.

**c) Safety Glasses**

If the employer requires the purchase of safety glasses and/or safety sunglasses for the performance of assigned duties, the employer shall reimburse the employee for such expense, in accordance with institutional limits, including the cost of any eye examination required for such purposes and not covered by any health insurance program. Reimbursement for eye examinations under this provision shall not exceed one per fiscal year.



**5. RELATED DOCUMENTS:**

UPS Operational Policy [TC 2: Title Definitions](#)

UPS Operational Policy [TC 4: 2017-19 UW System Pay Plan Distribution Guidelines for University Workforce](#)

UPS Operational Policy GEN 1: Authority for Personnel Actions

UPS Operational Policy [GEN 17: Inter-institutional Financial Transactions](#)

UPS Operational Policy [GEN 21: Crafts Workers](#)

UPS Operational Policy [HR 4: FLSA Designation](#)

UPS Operational Policy [HR 7: University Staff Temporary & Project Appointments](#)

UPS Operational Policy [HR 8: Title Change](#)

**6. POLICY HISTORY:**

Reviewed by Board of Regents, April 10, 2015

Revised: 02/14/2017; Revised: 04/02/2018