I. PURPOSE

To describe the pay plan used by LSU for its Unclassified personnel. The plan is designed to optimize the utilization of the personnel resources of the University, to maintain salary equity, and to attract, retain, and motivate employees. Salary ranges are based on current market data in addition to the duties and scope of each position. While this policy does not apply to faculty and classified employee pay structure and ranges, the Office of Human Resource Management does review fair and equitable pay practices for all employee types.

II. DEFINITIONS

**Acting Appointment** – When an employee has temporarily taken on the role of another position while that employee is on leave, serving in a separate role, etc.

**Base Pay**—The rate paid by the hour, week, month, or year to an individual for the job performed. This does not include allowances, shift differentials, overtime, incentives, benefits, or any other pay element other than base pay.

**Benchmark Job**—A job commonly found in the marketplace which is used as a reference point for making pay comparisons. Benchmark jobs have well-known and stable contents.

**Compensable Factor**—Any factor used to assess the value of job content in a job evaluation method. Typical compensable factors are knowledge and skill/applied knowledge, decision making/freedom to act, interaction with others, problem solving, resources managed, and scope/impact.

**Fair Labor Standards Act (FLSA)** —A federal law governing minimum wage, overtime pay, child labor, and recordkeeping requirements

**Hiring Range** – The range provided as an appropriate starting range for a particular position in consideration to an applicant’s education and experience. The hiring range is typically a subset of the overall salary range

**Interim Appointment** – When an employee is filling a position on a temporary basis while a search is being planned or conducted to permanently fill the role (See PS 1).

**Internal Equity**—A standard that fairly establishes a pay level that corresponds to each job’s relative value to the organization with consideration given to other employees’ qualifications and experiences.
Job Description — A document that outlines the most important features of the job including the general nature of the work performed, key responsibilities, and employee characteristics (e.g., skills, experience, education, etc.) required to perform the job.

Job Evaluation — A formal process to determine the relative value to be placed on various jobs within the organization.

Job Profile — A label for a job that uniquely identifies it. This includes not only the job title but also additional job title details and classifications.

Market Pricing — A process that sets the rates (values) to be paid for a job to the organization's best estimate of the current value for that job in the external marketplace.

Merit Increase — An adjustment to an individual's pay that is based on performance as measured through a performance evaluation.

Performance Evaluation — A system to determine how well an individual employee has performed during a period of time; frequently used as a basis for determining merit increases (See PS 35).

Promotion — The assignment of an employee to a job in a higher job classification.

Range Spread — the distance between the minimum and the maximum of the salary range. LSU uses the position's midpoint to determine the range spread.

Salary — Compensation paid by the week, month, or year (rather than per hour), including base pay and allowances.

Salary Range — The range of compensation determined by an entity for a certain position based on the position's market value.

Salary Survey — The gathering of data on wages and salaries paid by external employers for benchmark jobs.

Total Compensation — The complete pay package for employees, including all forms of money, benefits, services, and in-kind payments.

III. GENERAL POLICY

A. Employee types covered by the provisions of this policy:

1. Unclassified: those persons who by virtue of their special expertise provide a particular kind of service to the University community and whose principal functions are not as academic personnel.

2. Other Academic: those persons who, though not in the traditional faculty ranks, are directly associated with the educational process as a teacher, researcher, or associate (See PM 23).

3. Faculty Administrators: faculty members appointed to assume administrative responsibilities and duties in specified titles but who maintain their underlying faculty appointment.
B. The University has established a salary structure for internal use. Individual positions have been described, analyzed, and titled; and salary levels have been developed for each job title. The following policy provisions support the administration of the pay plan:

1. To ensure equity and fairness across the university and departments, salary ranges are determined based on the scope of the position, duties performed, market data of the position, and internal and/or institutional equity. Funding sources are not a factor in the determination of an offer amount or salary range.

2. A job description must be up to date and on file within the HR system of record (i.e. Workday) for all positions covered by this policy.

3. All unclassified employees, other academic employees, and faculty administrators will be covered by this pay plan regardless of source of funds (e.g. state operating, auxiliary, grants, etc.)

4. This policy does not apply to Classified Civil Service employees.

5. Faculty employees with administrative appointments may receive temporary salary allowances beyond their base salary based on relevant market data for the administrative duties and the administrative role performed.

6. The Fair Labor Standards Act (FLSA) definitions are used to determine if a position meets the Constitutional definition of “exempt” status. The position must both meet the duties test and salary requirements to be considered exempt, salaried. If both requirements are not met, the position will be considered non-exempt, hourly. The Office of Human Resource Management will review job duties during the job evaluation process to determine exemption status. For more information, please visit https://www.dol.gov/agencies/whd/flsa

   a. Exempt Employee: generally executives, managers, professional, administrative, or outside sales staff who are exempt from the minimum wage and overtime provisions of the FLSA. Exempt employees hold jobs that meet the standards and criteria established under the FLSA by the U.S. Department of Labor.

   b. Non-exempt Employee: employees whose work is covered by the Fair Labor Standards Act (FLSA) and are not exempt from the law's requirements concerning minimum wage and overtime.

C. Working Titles

Unofficial job titles may be used to more appropriately provide clarity for job postings or convey a message to the outside world of the work performed. Working titles may be permitted if needed for purposes stated above, as long as the working title does not misrepresent the authority or the function of the position.

IV. KEY FEATURES OF THE PAY PLAN

The key elements of the pay plan for Unclassified, Other Academic, and Faculty Administrators are described below:
A. Compensable factors of the job are considered when determining the relative salary level for each title covered by the plan. That value is based on the responsibilities of the job, not the title level. The compensable factors used are listed in Appendix I.

B. Every position covered by the pay plan will be matched to the appropriate title and pay level based on a review of the position’s job duties as described by the job description.

C. The salary value for each title covered by the pay plan will be established through salary analysis. This may include various private data sources as well as peer institution and market data. This will be accomplished using the following steps:

1. Salary analysis will be conducted by HRM at least every five years on existing positions to determine competitive pay levels for positions across the university.

2. If a new job title classification is created, a reorganization occurs, or a request is made for a position review, a salary analysis will be performed during the position classification process.

D. Salary ranges are established for each title covered by the pay plan. The salary range represents a designated range spread based on the scope and complexity of the position. Auditing and reporting procedures are used to maintain the integrity of the pay plan.

V. PAY PLAN ADMINISTRATION

A. Maintaining the Salary Structure

It is the responsibility of HRM to maintain the pay plan for Unclassified, Other Academic, Faculty Administrators, and all additional personnel while ensuring consideration of the following factors: peer and internal equity, LSU service, and total experience.

The compensation staff in HRM will:

1. Evaluate jobs based on the duties performed, job specifications, and criteria.
2. Assign positions to the appropriate title and salary level based on job responsibilities.
3. Participate in salary surveys to analyze market data.
4. Review compensation best practices and make recommendations and/or adjustments as needed to remain competitive.
5. Conduct salary audits and prepare management reports.

B. Creating and Filling Positions

Departments must provide an accurate job description to HRM to determine appropriate job title classification, working title, and salary range to create or fill a position. HRM will approve the title and salary range, with additional administrative approval required for those salary ranges with a midpoint equal to $250,000 or more in accordance with PM 69.

C. Hiring
The university’s intent is to attract and retain the best talent possible by offering competitive compensation packages based on compensable factors of each job, market/peer data, and candidate qualifications.

All new hires (external and internal candidates) should be paid at least the minimum of their assigned salary range. Hiring and promotional rates shall be commensurate with the candidate/employee’s qualifications and experience. HRM will provide resources and guidance on hiring within the range based on candidate qualifications and experience to promote equitable and uniform practice. A review of internal salaries must be considered with those of similar ability, experience, and responsibility to address potential salary inequities, salary compression, and/or morale issues.

D. Requests for Reclassification or Reevaluation

Departments may request comprehensive evaluations involving equity, market, or organizational reviews through a job evaluation process; this must be requested through normal administrative channels to HRM. Such requests will be considered from January –April and September –December with the exception of corresponding adjustments; i.e., if a new employee is hired at a higher offer amount than peers, equity may need to be addressed at that time. The classification determination made by HRM’s compensation staff is not subject to the grievance procedure, however, an administrator may request that the Associate and/or the Assistant Vice President(s) for HRM review a classification decision if it is the administrator’s belief that the recommendation is not acceptable. Such requests should be made in writing through normal administrative channels. The AVP(s) decision in such matters will be final.

E. Salary Increases

1. Promotions will be based upon the market rate of the position the employee is moving into as well as in consideration of internal equity.
2. Reclassifications, or reevaluations are generally limited to a range of 5%-15%. The rate of pay is determined based on market and peer data analysis as well as qualifications and experience of the individual. The employee should typically not be paid below the minimum of the new salary range. Salary increases exceeding 15% will require justification and may be subject to additional approvals per PM 69.
3. The provision for granting merit increases are described by the university’s raise guidelines issued at such time a merit raise pool is established and is provided at the direction of the university’s administration. This process is the only mechanism available to give performance-based increases.
4. If applicable, the provisions for granting cost of living increases are described by the university’s raise guidelines issued each year.
5. Offers of retention may be considered if an external offer of employment is received that is equivalent to the current role and responsibilities. Documentation of an actual offer is required. Before proceeding, the department must consider overall equity within the unit and outline an intent to address it accordingly.

F. Temporary Additional Duties
Unclassified, other academic, faculty, and faculty administrators who are assigned additional temporary duties may not require a salary adjustment, especially in the case of additional volume. For duties asked to be performed that are not outlined in the employee’s job description, a “Temporary Additional Duties” allowance plan may be considered. The employee’s salary will revert to the salary level prior to the establishment of a temporary allowance plan when the duties are relinquished. Temporary duties will generally be commensurate with market data up to 80% for the duties assigned of the external market for the administrative duties performed and its role.

G. Interim and Acting Appointments

Unclassified, other academic, and faculty who have taken on interim or acting appointments who are assigned these duties may not require a salary adjustment, especially in the case of additional volume. For responsibilities being performed in the absence of another, an “Interim/Acting Allowance” plan may be considered. Temporary monies may not warrant full promotional rates. Departments may request an Interim/Acting appointment, subject to salary and EEO guidelines on promotions (See PS 1), in the case where the employee is performing the full range of duties assigned to the higher-level position. If not performing the full range of duties, the department may request a temporary allowance plan. The employee’s salary will revert to the salary level prior to the Interim/Acting appointment when the temporary duties are relinquished. Additional compensation will generally be commensurate with market data up to 80% for the duties assigned.

H. Special Pay Problems

1. Salary Equity: requests for increases in salary as a result of the relevant external labor market or to address an internal equity or salary compression issue must be submitted to HRM through normal administrative channels. Requests for legally actionable equity cases must be submitted to HRM through normal administrative channels. HRM may interface directly with the Office of Inclusion, Civil Rights & Title IX for any compensation complaint related to discrimination. Salary actions, if required, will be handled on a case-by-case basis.

2. Duty Changes: all job description changes must be captured in the HR system of record for documentation purposes. Requests involving major changes (25% or more) in the level of duties and responsibilities may warrant a compensation analysis and should be submitted to HRM through normal administrative channels. Generally, the salary guidelines on promotions apply to duty changes.

3. Paying Above the range maximum: salaries are to be administered within the assigned salary range. However, an individual may be paid above their assigned salary range if there are compelling performance and/or market reasons for an exception. HRM will review all recommendations to pay above the maximum on a case-by-case basis and with adequate documentation.

4. Retro-active actions related to additional duties and equity adjustments may be considered. Reclassifications shall be effective prospectively.

I. Demotions

HRM will review all demotions and recommend a salary level on a case-by-case basis.
J. Rewards and Recognition

Payments for rewards and recognition are not allowed unless a written award policy outlining eligibility and criteria has been established and approved through appropriate administrative channels.

VI. SOURCES

Fair Labor Standards Act

Permanent Memorandum 23

Permanent Memorandum 69

Policy Statement 1

Policy Statement 35
Compensable Job Factors

**Applied Knowledge** - This factor measures the depth and importance of knowledge necessary to perform the work. The application of concepts, principles and practices from professional disciplines is also considered.

**Freedom to Act** - This factor measures the authority vested in the position to take action following the parameters of the supervision received and existing laws, policies, contracts, procedures, regulations and/or guidelines.

**Interaction with Others** - This factor measures the employee’s responsibility for interacting with or through other people to accomplish the desired results. This factor considers the importance and frequency of interaction with various individuals or groups as well as the effect of their interaction on the department and the institution.

**Problem Solving** - This factor measures the complexity of the problems solved and the difficulty and originality involved in performing the work.

**Resources Managed** - This factor measures the responsibility for management of human, financial, space, facilities, information and material resources.

**Scope** - This factor measures the impact that an individual exercises at varying levels within and across the organization. Impact relates to how influential the position is within the institution based on the importance of decisions or final recommendations rendered.