



PPSM-30: Compensation

FORMAL REVIEW REDLINE DRAFT SUMMER 2018

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| Scope: | All staff members in the Managers & Senior Professionals and Professional & Support Staff personnel groups. Compensation for members of the Senior Management Group is covered by the policy on <u>Senior Management Group Appointment and Compensation</u> (Regents Policy 7701). |

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I. POLICY SUMMARY

This policy describes compensation, hours of work, and related components for employees in the Managers & Senior Professionals and Professional & Support Staff personnel groups.

II. DEFINITIONS

Ancillary Pay: For the purposes of this policy, ancillary pay includes shift differential, weekend differential, on-call pay, call-back pay, and certification pay. Call-back pay applies to non-exempt employees only.

Dual Employment: Appointments totaling more than 100%. Dual employment applies to staff appointments only and occurs through an additional appointment that is separate from any other appointment(s) an employee holds.

Exception to Policy: An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception.

Executive Officer: The University President, Chancellor, Laboratory Director, or Vice President–Agriculture and Natural Resources.

Equity Increase: A pay increase made to appropriately align an employee's base salary with the level of compensation provided to internal or external comparators.

General Increase: An identical pay raise, up to but not exceeding the salary range maximum, that is given to all eligible employees. A General Increase can be provided either as a flat rate or as a percentage of salary.

Indexed Compensation Level (ICL): The total cash compensation benchmark for certain compensation approval and reporting requirements. The ICL is adjusted annually in accordance with the California Consumer Price Index (CPI) Urban Consumers for all items as determined by the Bureau of Labor Statistics and as reported to the Board of Regents.

Individual Salary Steps: Individual salary steps occur in a step based salary structure where there are numbered steps in sequential order with an incremental rate increase between each step.

Job: A broad-based collection of key responsibilities, knowledge and skills used to identify work that is of the same nature and performed at the same level by one or more employees throughout the University.

Job Title: A short descriptor used to link a job and a position. A position's job title may differ from the working title used by the employee. May also be referred to as "class."

Maximum of the Salary Range: The highest salary rate assigned to a salary range.

Merit Increase: A salary increase designed to reward performance.

Midpoint of the Salary Range: The salary rate that represents the middle of a salary range.

Minimum of the Salary Range: The lowest salary rate assigned to a salary range.

On-call: Time during which an employee must be available to be called to work. On-call is considered “unrestricted” when the employee is free to engage in activities for his/her own purposes, and is considered “restricted” when the employee is required to restrict personal activities so that the time cannot be used effectively for his/her own purposes.

Over-Schedule: Time worked that exceeds an employee’s regular daily schedule on pay status. Over-schedule applies to non-exempt employees only.

Overtime: Generally, time worked that exceeds 40 hours on pay status in a workweek. Overtime applies to non-exempt employees only.

Position: A specific set of duties, responsibilities, knowledge, skills, level of supervision, and other requirements which are based on a job and that comprise the work assignment of an individual employee at a particular location.

Premium Overtime: Compensation at the rate of at least 1½ times the regular rate of pay. Premium overtime applies to non-exempt employees only and is generally paid when an employee’s hours worked exceed 40 in one workweek.

Salary Grade: A pay level within a salary structure assigned to a group of jobs of the same or similar value.

Salary Range: The range of pay from minimum to maximum established for a salary grade or job.

Shift/Weekend Differential Additional pay beyond the straight-time rate of pay to compensate for work performed during an evening, late night, or weekend shift. Shift/weekend differential pay is subject to the same payroll deductions as the straight-time rate of pay.

Straight-time Overtime: Overtime compensation at the straight-time rate of pay. Straight-time overtime applies to non-exempt employees only and is generally paid when an employee’s hours on pay status (but not his/her actual time worked) exceed 40 in one workweek.

Straight-time Rate of Pay: The rate equal to the employee’s base pay rate for his or her position exclusive of any differentials.

Systemwide Guidelines: For the purposes of this policy, a document issued by the Office of the President that describes the scope, eligibility criteria, amount, and effective date for Systemwide Salary Programs.

Top Business Officer: Executive Vice President–Chief Operating Officer for the Office of the President, Vice Chancellor–Administration, or the position responsible for the location’s financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. *Fair Labor Standards Act (FLSA) Exemption Status*

The systemwide Compensation Office, in compliance with the legal requirements of the FLSA, establishes the overall FLSA exemption status for jobs. Requests to change the

FLSA exemption status for a job(s) must be submitted to the Vice President–Human Resources for approval.

Positions should use the FLSA exemption status assigned to the associated job; however, the Executive Officer is authorized to change the FLSA exemption status for individual positions at his/her location, in compliance with the legal requirements of the FLSA, if (1) the position does not pass the FLSA salary basis test, or (2) the employee holds more than one position and the associated jobs have different FLSA exemption statuses. The Executive Officer may delegate this authority only to the Chief Human Resources Officer (CHRO); no further redelegation is allowed.

B. Salary

1. Salary Ranges

a. Establishing Ranges

In consultation with the Office of the President, the Executive Officer will establish local salary ranges for salary grades and jobs without salary grades at his/her location at a level at least consistent with federal, state, and local minimum wage provisions in the communities where the Executive Officer is located. Salary ranges must have a minimum, midpoint, and maximum.

b. Adjustments

In consultation with the Office of the President, the Executive Officer may adjust salary ranges at his/her location in accordance with existing market practices. Adjustments of salary ranges without individual salary steps do not automatically increase the salary paid to an employee; however, these adjustments do provide increased potential for within-range salary advancement.

c. Individual Pay

For all eligible appointments, an employee must be paid at a rate no less than the UC minimum wage established by the President (in accordance with the Fair Wage/Fair Work Plan October 1, 2015).

An employee's salary must be within the salary range that is assigned to the job title based on the associated position's duties and responsibilities; any exceptions must be approved in accordance with Section IV.C.1 of this policy.

2. Systemwide Salary Programs

a. General Increases

For employees who hold career or partial-year career appointments, general increases are authorized through systemwide guidelines. In accordance with the systemwide guidelines, the Executive Officer will determine eligibility for general increases for employees who hold limited, floater, or casual/restricted appointments and will determine eligibility for employees who hold contract appointments based on the provisions of their contracts.

b. Merit Increases

Merit increases are authorized through systemwide guidelines. The Executive Officer will establish local merit guidelines in accordance with the systemwide guidelines.

An employee who holds a career or partial-year career appointment is eligible to be considered for a merit increase. A performance appraisal must have been completed for the employee within the twelve months preceding the approval of any merit increase. (See [Personnel Policies for Staff Members 23, \(Performance Management\)](#).) The merit increase awarded to an eligible employee is based on performance as it relates to current pay and assigned responsibilities. In accordance with local merit guidelines, other factors may also be considered when determining an employee's merit increase amount, such as the position of the employee's current pay within the salary range, performance relative to peers, pay relative to peers and the market, and availability of funds.

In accordance with the systemwide guidelines, the Executive Officer will determine eligibility for merit increases for employees who hold limited, floater, or casual/restricted appointments and will determine eligibility for employees who hold contract appointments based on the provisions of their contracts.

3. Individual Salary Actions

Individual salary actions must be approved by the Regents, President, Chancellor, or other appropriate authority in accordance with Section IV.C.1 of this policy and local guidelines.

a. Salary Increases

A salary increase may be granted upon promotion, upward reclassification, lateral transfer, or to bring an employee's salary to the minimum of the salary range in accordance with Section III.B.1.c. Salary increases must be approved in accordance with Section IV.C.1 of this policy.

b. Salary Decreases

An employee should receive a salary decrease upon demotion (see [Personnel Policies for Staff Members 62 \(Corrective Action\)](#)); however, the employee's current salary rate may be retained if approved by the appropriate authority per Section IV.C.1 of this policy.

If a position is reclassified downward, an employee currently holding that position may receive a salary decrease or, upon approval by the appropriate authority per Section IV.C.1 of this policy, the employee's current salary rate may be retained.

c. Equity Increases

An equity increase may be approved in accordance with Section IV.C.1 of this policy.

An equity increase may be warranted if there is:

- Difficulty retaining or recruiting staff in specific functions or with specialized skills, or due to competitive market salaries;

- Salary inequity between employees with comparable job responsibilities;
- Salary compression between supervisors and their employees; or
- Changes in assigned functions or work tasks that increase the scope and complexity of the position but do not elevate the position to a higher classification.

Locations may also choose to conduct comprehensive salary equity reviews to determine whether there are salary inequities for specific jobs that require remedy. If such reviews are conducted, the Executive Officer will determine the timing and scope of the reviews. Increases that are implemented due to comprehensive salary equity reviews must be reported to the systemwide Compensation Office.

4. Annual Limit

~~An employee's total salary increase in a single fiscal year cannot exceed 25 percent of base salary. This includes increases due to promotion, reclassification, equity, lateral transfer, and increases to bring an employee's salary to the minimum of the salary range. This limit does not include increases made under a Systemwide Salary Program. This limit also does not include incentive or recognition awards because these types of awards do not increase an employee's base salary.~~

5.4. Order of Salary Actions

If more than one salary action takes place on the same date, actions occur, as applicable, in the following order:

- a. Systemwide Salary Program action resulting from a general increase;
- b. Merit increase;
- c. Individual salary action resulting from promotion, reclassification, lateral transfer, demotion, or equity increase; and
- d. Salary range adjustment.

6.5. Retroactive Salary Actions

A salary action not approved within the following timeframes is considered retroactive and is an exception to this policy that must be approved in accordance with the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees*:

- For employees in the Managers & Senior Professionals personnel group whose total cash compensation is greater than the Indexed Compensation Level: within 45 calendar days of the date the action is effective.
- For all other employees covered by this policy: within six calendar months of the date the action is effective.

7.6. Perquisites

An employee will be provided with meal and/or housing perquisites when they are required as a condition of employment and for the convenience of the University. The Executive Officer will determine when meal and/or housing perquisites are required and the amount of such perquisites in accordance with prevailing market

practices. If applicable and consistent with the appropriate laws and regulations, the value of meals and/or housing is included as part of compensation in calculating the regular rate of pay for determining premium overtime pay.

8-7. Additional Cash Compensation

An employee appointed at 100 percent time cannot receive additional cash compensation from the University for any work or services related or unrelated to the employee's appointment, regardless of source or type of payments, unless the additional cash compensation is provided for one of the following reasons:

- a. Payments for overtime earned by non-exempt employees (Section III.D),
- b. Payments for teaching University Extension courses outside the employee's normal working hours, whether or not the course subject is related to the responsibilities of the employee's appointment (a separate appointment must be created for an employee who teaches University Extension courses),
- c. Administrative stipends payable under Section 9 below,
- d. Dual employment payable under Section 10 below (a separate appointment must be created for an employee who holds dual employment),
- e. Ancillary pay (Section III.E),
- f. Incentive and recognition awards payable under [Personnel Policies for Staff Members 34 \(Incentive and Recognition Award Plans – Managers & Senior Professionals and Professional & Support Staff\)](#), or
- g. Retention pay as provided under a Presidentially-approved program.

A University employee may not be allowed to enter into a contract to provide goods or services to the University outside of his/her employment. See [Personnel Policies for Staff Members 82 \(Conflict of Interest\)](#) and [Business and Finance Bulletin 43 \(Materiel Management\)](#).

9-8. Administrative Stipends

An administrative stipend may be provided only when an employee is temporarily assigned, for a period of at least 30 working days, responsibilities of a higher level position or other significant duties not part of the employee's regular position.

The stipend amount cannot exceed 25 percent of the employee's base salary and must be approved in accordance with Section IV.C.1 of this policy. The payment of administrative stipends is intended to be temporary and generally should not exceed twelve months; however, if necessary, one extension of up to an additional twelve months may be approved in accordance with Section IV.C.1 of this policy. An extension of an administrative stipend beyond twenty-four months is an exception to this policy.

If applicable, administrative stipends are included as part of compensation in calculating the regular rate of pay for determining premium overtime pay.

10-9. Dual Employment

While such occurrences are expected to be rare, dual employment may be approved for an employee appointed in a staff appointment at 100 percent if all of the following conditions are met:

- a. The employee's position is in the Professional & Support Staff personnel group;
- b. There is a legitimate business reason to approve dual employment, such as the employee has special skills or qualifications to perform the work;
- c. The additional appointment is at the same location as the employee's full-time appointment and consists of duties that are different from the employee's primary job;
- d. The additional appointment does not exceed 20 percent;
- e. The duration of the additional appointment does not exceed twelve calendar months;
- f. The time worked in the additional appointment will not have a negative impact on the employee's performance; and
- g. The employee's full-time department head agrees to the arrangement.

Employees may also be appointed to part-time staff appointments that total more than 100 percent if the appointments meet criteria b, c, e, and f above and do not exceed a total of 120 percent.

Dual employment must be approved in accordance with Section IV.C.1 of this policy. FLSA rules regarding the payment of overtime still apply in dual employment situations (see Section III.D).

While it is permissible for employees to hold appointments at multiple locations, the total percentage of all the appointments must add up to 100 percent or less. Multiple appointments at multiple locations that, when added together, exceed 100 percent are not permitted under [Accounting Manual P-196-38 \(Interlocation Transfers and Appointments\)](#).

C. Hours of Work

1. Exempt Employees

For compensation purposes, the workweek for a full-time exempt employee is generally considered to be 40 hours, although greater emphasis is placed on meeting the responsibilities assigned to the position rather than working a specified number of hours. During the workweek, an exempt employee is expected to work his/her regular schedule and to generally be available as business requires. To establish an appointment percentage for a part-time exempt employee, the number of hours the employee will generally be expected to work on a weekly basis as part of his/her regular schedule will be divided by 40 hours.

An exempt employee is paid an established salary and does not receive overtime compensation or compensatory time off. An exempt employee may only receive

additional compensation beyond the established salary for his/her position as provided in Sections III.B.7-10 of this policy.

2. Non-Exempt Employees

For compensation purposes, the regular number of hours worked by a full-time, non-exempt employee is 40 hours in a workweek, except Police Sergeants, Hospital employees, and Firefighters may have an alternate number of hours in their established work periods. Work beyond the regular number of hours in a week is subject to overtime. (See Section III.D of this policy.)

- a. *Meal Periods.* An employee whose total workday is at least five hours will be provided with a meal period of at least 30 minutes unless the employee and his/her supervisor agree to waive this period or unless operational considerations require the employee to continue working during this period. An employee must be completely relieved from duty during meal periods. Meal periods are neither time worked nor time on pay status.
- b. *Rest Periods.* The supervisor will grant a full-time employee two 15-minute rest periods, one to be taken in the first half of the work day and one in the second half of the work day, unless operational considerations require the employee to continue working during these periods. The supervisor will grant a part-time employee one 15-minute rest period for each work period of three continuous hours or more, not to exceed two rest periods per day, unless operational considerations require the employee to continue working during these periods. Such rest periods are considered time worked.
- c. *Activities Before or After the Work Schedule.* When the University requires an employee to change into or out of uniform, engage in special washing or cleaning procedures, or perform other activities on or at a University facility before or after the work period, the time spent in such activities is considered time worked.
- d. *Travel Time.* Assigned travel during an employee's normal working hours, including travel on his/her scheduled days off, is counted as time worked. Travel time between home and the work place is not time worked.

Time spent by an employee traveling from work site to work site during the workday counts as time worked.

For travel that does not keep an employee away from home overnight, travel time to the first destination and from the final destination, except for the time the employee normally would spend traveling to and from the work place, counts as time worked.

Travel that keeps an employee away from home overnight is counted as time worked when it occurs during an employee's normal working hours, including on his/her scheduled days off.

3. Alternate Work Schedule

An employee may request an alternate work schedule in accordance with local procedures. Alternate work schedules are approved at management's discretion.

D. Overtime and Over-Schedule (Non-Exempt Employees Only)

For compensation purposes, overtime is time worked that exceeds 40 hours on pay status in a workweek, except for Police Sergeants, Hospital employees, and Firefighters, as described in Section 4 below. Over-schedule is time worked that exceeds an employee's regular daily schedule on pay status.

1. Approval

Overtime and over-schedule will be assigned by the department head to meet essential operating needs. Overtime and over-schedule must be approved in advance, but if overtime or over-schedule is worked it must be compensated whether approved or not. An employee is expected to seek advance approval for overtime and over-schedule work.

2. Compensation for Time Worked Over-Schedule

Over-schedule must be compensated on the basis of the nearest $\frac{1}{4}$ hour. When the hours worked by an employee exceed his/her regular daily schedule on pay status, the employee will be compensated at the straight-time rate of pay, provided that the employee does not exceed 40 hours of actual work in that workweek.

Additionally, the appropriate departmental authority may schedule time off for the employee in that same workweek to avoid hours of actual work in excess of the employee's regular schedule or in excess of 40 in that workweek.

3. Compensation for Overtime

Overtime must be compensated on the basis of the nearest $\frac{1}{4}$ hour.

a. Premium Overtime. Hours on paid leave do not count as time worked for the purpose of determining eligibility for premium overtime, except for Police Sergeants as noted in Section 4.a below. Note: As defined by the FLSA, premium overtime provisions may not apply to employees engaged in agricultural work, employees whose primary duty is the operation of a vessel, or certain seasonal recreational employees.

When the hours worked by an employee exceed 40 hours of actual work in a workweek, either:

- i. Compensatory time off will accrue in accordance with Section 5 below; or
 - ii. The employee will be compensated at the premium rate of $1\frac{1}{2}$ times the regular rate of pay.
- b. Straight-time Overtime.* When an employee's hours on pay status exceed 40 hours in a workweek (but not his/her actual time worked), either:
- i. Compensatory time off will accrue in accordance with Section 5 below; or
 - ii. The employee will be compensated at the straight-time rate of pay.

4. Premium Overtime for Safety and Hospital Employees

- a. *Police Sergeants.* For the purpose of determining eligibility for premium overtime for Police Sergeants, time worked will include paid holiday time, paid vacation, and compensatory time off.

Premium overtime eligibility for Police Sergeants may be based on either:

- i. 40 hours in a 7-consecutive day workweek; or
- ii. other authorized tour of duty not to exceed 171 non-overtime hours in a 28-consecutive day work period or equivalent.

Time worked by an employee on an authorized tour of duty as described in i and ii above that exceeds the maximum non-overtime hours of the work period will be paid at the rate of 1½ times the straight-time rate of pay.

- b. *Employees in Firefighter Job Titles.* Premium overtime eligibility for employees in firefighter job titles may be based on either:

- i. 40 hours in a 7-consecutive day workweek; or
- ii. other authorized tour of duty not to exceed 212 non-overtime hours in a 28-consecutive day work period or equivalent.

Time worked by an employee on an authorized tour of duty as described in i and ii above that exceeds the maximum non-overtime hours of the work period will be paid at the rate of 1½ times the straight-time rate of pay.

- c. *Hospital Employees.* Hospitals are permitted to base premium overtime eligibility on either:

- i. 40 hours in a 7-consecutive day workweek; or
- ii. 80 hours in a 14-consecutive day work period (the 8/80 option).

Eligible hospital employees for whom the 8/80 option work period has been selected will be compensated at the rate of 1½ times the regular rate of pay for time worked that:

- i. exceeds 8 hours of actual work in any work day within such a work period; and
- ii. exceeds 80 hours of actual work in the 14-day work period.

Any payments at the premium rate for daily overtime hours within such period will be credited toward the premium rate overtime compensation due for hours of actual work in excess of 80 in the work period.

5. Compensatory Time Off

Compensatory time off for overtime accrues at straight-time (one hour off for each hour of straight-time overtime worked) or premium time (one and one-half hours off for each hour of premium overtime worked). No more than 240 hours total (160 hours of actual overtime work at time and one-half) of compensatory time may be accrued. For employees in protective service job titles, the maximum accrual is 480 hours, or 320 hours at time and one-half. An employee will be paid at the

appropriate rate for hours of overtime that exceed the maximum compensatory time accrual limit.

An employee must be permitted to use compensatory time within a reasonable period after making a request if the use of the compensatory time will not unduly disrupt the operations of the department.

Except as noted in c below, accrued hours of compensatory time will be paid at the employee's rate of pay at the time of payment:

- a. if not taken as compensatory time off within six months, or an extended period authorized by local guidelines;
- b. upon promotion, reclassification, demotion, or transfer to another department or location; or
- c. upon separation. (Note: Payment for accrued hours of premium overtime will be based on the employee's regular rate of pay at the time of separation or the employee's average hourly rate during his/her last three years, whichever is higher.)

If an employee does not elect to receive compensatory time off for overtime, he/she will receive pay. If an employee does elect to receive compensatory time off for overtime, management has the discretion to determine whether overtime will be compensated by compensatory time off or pay. A record of the employee's election will be maintained in accordance with local procedures.

E. Ancillary Pay

The Executive Officer will determine which job titles are eligible to receive ancillary pay at his/her location. The Executive Officer will establish, change, and eliminate ancillary pay rates according to local needs, taking into consideration local market demand/trends and adhering to applicable federal and state laws. Evening, night, and weekend shifts will be defined in local procedures.

1. Shift Differential

An employee in an eligible job title who is required by management to work an assigned evening or night shift or who works four or more hours of a shift after 5:00 p.m. and before 8:00 a.m. will be paid a shift differential for all hours of that shift. Work that is scheduled during the evening or night hours on the basis of convenience to the employee is not considered an assigned evening or night shift for the purposes of this policy. When an employee who usually works an evening or night shift is temporarily assigned by management to a day shift for a period of four working days or less, the employee will continue to receive the shift differential. A change in shift assignment initiated by the employee is not covered by this policy.

The shift differential will be included in payments for all types of paid leave, provided that the employee would have been expected to work that shift were the employee not on paid leave. For non-exempt employees, payment for shift differential is included as part of compensation in calculating the regular rate of pay for determining premium overtime pay. An employee who receives a shift

differential for an assigned evening or night shift will receive the differential for all overtime worked.

2. Weekend Differential

An employee in an eligible job title who is required by management to work an assigned weekend shift will be paid a weekend differential. Work that is scheduled during the weekend hours on the basis of convenience to the employee is not considered an assigned weekend shift for the purposes of this policy.

The weekend differential will be included in payments for all types of paid leave, provided that the employee would have been expected to work that shift were the employee not on paid leave. For non-exempt employees, payment for weekend differential is included as part of compensation in calculating the regular rate of pay for determining premium overtime pay.

3. On-call

An employee is considered to be in on-call status only when assigned by the University. On-call will be considered time worked when it is restricted, i.e. an employee is required to restrict personal activities so that the employee cannot use his/her time effectively for the employee's own purposes. Under such circumstances, the employee will be paid based on his/her straight-time rate of pay (or overtime when appropriate).

On-call will not be considered time worked when it is unrestricted, i.e. an employee is free to engage in activities for his/her own purposes, but is required to inform the University how he/she can be reached or to carry a University-owned mobile device.

It is not mandatory to compensate for unrestricted on-call; however, the Executive Officer may determine eligibility for unrestricted on-call pay at his/her location, as well as establish, change, and eliminate unrestricted on-call rates according to local needs.

For non-exempt employees, payment for on-call time is included as part of compensation in calculating the regular rate of pay for determining premium overtime pay. An employee in on-call status is not eligible for minimum call-back payments.

4. Call-Back (Non-Exempt Employees Only)

When an employee who is not in "on-call status" is called back to work after completing the regular work schedule and leaving the premises, the employee will be paid for time actually worked upon return or a minimum of three hours, whichever is greater. Call-back time actually worked must be included in the calculation of the regular rate of pay for the purpose of calculating premium overtime pay.

5. Certification Pay

Certain employees in eligible job titles and positions who maintain a specialty certification related to the work they perform may be offered certification pay in accordance with local procedures.

IV. COMPLIANCE/RESPONSIBILITIES

A. Implementation of the Policy

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require approval by the President. The Responsible Officer may apply appropriate interpretations to clarify the policy provided that the interpretations do not result in substantive changes to the underlying policy. The Chancellor, Lawrence Berkeley National Laboratory Director, and Vice President–Agriculture and Natural Resources are authorized to establish and are responsible for local procedures necessary to implement the policy.

In accordance with [Personnel Policies for Staff Members 1 \(General Provisions\)](#), the authorities granted in this policy may be redelegated except as otherwise indicated.

B. Revisions to the Policy

The President is the Policy Approver and has the authority to approve policy revisions upon recommendation by the Vice President–Human Resources.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President–Chief Operating Officer has the authority to ensure that policies are regularly reviewed, updated, and consistent with other governance policies.

C. Approval of Actions

The Executive Officer and the Vice President–Human Resources are authorized to determine responsibilities and authorities at secondary administrative levels in order to establish local procedures necessary to implement this policy.

1. Salary Actions (Sections III.B.1.c, III.B.2-4, and III.B.6-10)

The authority to approve salary actions applicable to individual staff employees covered by this policy is described in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees* (see Appendix), which is incorporated into this policy by reference.

Salary actions that exceed this policy must be approved as exceptions. If the authority to approve salary actions that exceed this policy is redelegated, locations must report the redelegation to the systemwide Compensation Office.

The authority of the Chancellor, Laboratory Director, and Vice President–Agriculture and Natural Resources to approve salary actions within policy for employees in non-athletic positions whose total cash compensation is greater than the Indexed Compensation Level cannot be redelegated.

Salary actions that are not expressly provided for under any policy must be approved as exceptions by the Vice President–Human Resources.

2. Non-Salary Actions (Sections III.A, III.B.1.a-b, III.B.5, III.C, III.D, and III.E)

All non-salary actions authorized by this policy must be approved in accordance with the authorities stated in this policy and local procedures.

All non-salary actions that exceed this policy or that are not expressly provided for under any policy and are applicable to staff employees who are not Officers of the University must be approved by the Vice President–Human Resources.

D. Compliance with the Policy

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms and ensuring that monitoring procedures and reporting capabilities are established.

The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Director–HR Compliance will periodically monitor compliance to this policy.

E. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with *Personnel Policies for Staff Members* ~~61, 62, 63, and 64, 65, and 67~~, pertaining to disciplinary and separation matters.

V. PROCEDURES

Systemwide Salary Programs - Rounding (Section III.B.2)

As locations transition to UCPATH, General and Merit Increases based on a percentage increase will be rounded up. -For hourly paid employees, all hourly rates will be rounded up to the nearest cent. -For monthly paid employees, all monthly rates will be rounded up to the nearest dollar.

Dual Employment and Multiple Appointments/Positions (Section III.B.10)

When an employee holds more than one position and the jobs associated with the positions have differing FLSA exemption statuses, all work an employee performs must be

evaluated to determine a single FLSA status that will be applied to all positions the employee holds.

1. *Fair Labor Standards Act (FLSA) Exemption Status*

- a. The local Compensation, Human Resources, or Academic Personnel Office (in cases where at least one of the positions is academic) must conduct an individualized analysis. The systemwide Compensation Office should be consulted when this type of employment situation exists.
- b. All positions combined must pass the FLSA salary basis test.
- c. Work performed in all of the positions the employee holds must be considered together as a whole to determine whether the employee's primary duty is exempt or non-exempt.

Department of Labor regulations define "primary duty" as the "principal, main, major or most important duty that the employee performs." Factors to consider when determining an employee's primary duty include, but are not limited to:

- The relative importance of exempt or non-exempt duties as compared with other types of duties;
 - The amount of *actual* time spent performing exempt or non-exempt work (rather than each position's appointment percentage);
 - The employee's relative freedom from direct supervision; and
 - The relationship between the employee's salary and wages paid to other employees for the kind of non-exempt work performed by the employee.
- d. The FLSA exemption status will be established as either exempt or non-exempt for all of the employee's positions based on the analysis of the employee's primary duty.
 - e. When an employee's work is closely split between exempt and non-exempt duties, the employee's primary duty should be treated as non-exempt. This ensures that the employee is properly compensated for his/her work and any overtime and ensures the University is in compliance with FLSA regulations.

2. *Compensation*

- a. A non-exempt employee must track all of the hours he/she works in all of his/her positions and be paid overtime at the premium rate for all hours of actual work that exceed 40 in a workweek (except for Safety and Hospital Employees – see Section III.D.4).
- b. An exempt employee does not track his/her hours and is paid a percentage of the base salary for each position.

3. *Description of Service (DOS)/Earnings Codes*

The following DOS/Earnings codes must be used to pay an employee holding dual employment:

- a. **DEE** – For dual employment at a fixed dollar amount (exempt employees).

- b. **DES** – For dual employment at the straight-time rate of pay (non-exempt employees).
- c. **DEP** – For dual employment at the overtime premium rate of pay (non-exempt employees).

Using these codes ensures employees are paid appropriately and allows the University to track and report on these appointments.

VI. RELATED INFORMATION

- [Senior Management Group Appointment and Compensation](#) (Regents Policy 7701) (referenced in the **Scope** section of this policy)
- [Personnel Policies for Staff Members 23 \(Performance Management\)](#) (referenced in Section III.B.2.b of this policy)
- [Personnel Policies for Staff Members 62 \(Corrective Action\)](#) (referenced in Section III.B.3.b of this policy)
- [Personnel Policies for Staff Members 34 \(Incentive and Recognition Award Plans – Managers & Senior Professionals and Professional & Support Staff\)](#) (referenced in Section III.B.8.d of this policy)
- [Personnel Policies for Staff Members 82 \(Conflict of Interest\)](#) (referenced in Section III.B.8 of this policy)
- [Business and Finance Bulletin 43 \(Materiel Management\)](#) (referenced in Section III.B.8 of this policy)
- [Accounting Manual P-196-38 \(Interlocation Transfers and Appointments\)](#) (referenced in Section III.B.10 of this policy)
- [Personnel Policies for Staff Members 1 \(General Provisions\)](#) (referenced in Section IV.A of this policy)
- [Personnel Policies for Staff Members ~~61, 62, 63, and 64, 65, and 67~~](#) (referenced in Section IV.E of this policy)

VII. FREQUENTLY ASKED QUESTIONS

Pay Transparency

1. Does the University disclose employee compensation information?

To promote accountability and transparency, the University may disclose employee compensation information in accordance with the University's policy on [Public Disclosure of Compensation Information](#).

2. Can an employee be disciplined for discussing compensation information?

Employees cannot be disciplined or discriminated against for discussing, disclosing, or asking about their own pay or that of another employee or applicant. However, employees who have access to the compensation information of other employees

or applicants are not allowed to disclose this information except in certain circumstances. The University is currently updating [Personnel Policies for Staff Members 12 \(Nondiscrimination in Employment\)](#) and the policy on [Nondiscrimination and Affirmative Action Policy Regarding Academic and Staff Employment](#) with additional information. The local Human Resources office can answer questions.

Fair Labor Standards Act (FLSA) Exemption Status

3. *When should an analysis be performed to determine an individual's FLSA exemption status?*

The systemwide Compensation Office determines the FLSA exemption status for jobs. A location must do an analysis to determine an individual's FLSA exemption status when:

- a. an employee's salary fails to meet the minimum threshold; and/or
- b. an employee holds more than one position and the associated jobs have differing FLSA exemption statuses.

Additionally, an analysis should be conducted when an employee's duties or the scope of his/her position changes. See Section V (Procedures) of this policy for more information on how to conduct the analysis.

4. *Who should departments or employees contact with questions about FLSA exemption status?*

Departments and employees should contact the local Compensation or Human Resources Office with questions about FLSA exemption status designations.

Salary Ranges

5. *What are the criteria to be eligible for the UC minimum wage established under the Fair Wage/Fair Work Plan?*

Hourly paid employees who hold a career, partial-year career, contract, limited, floater or per diem appointment at 50% or more are eligible for the UC minimum wage. Multiple appointments cannot be added together; each appointment must meet the eligibility criteria on its own.

6. *When does the UC minimum wage take effect?*

The UC minimum wage takes effect as follows:

October 1, 2015 - \$13/hour

October 1, 2016 - \$14/hour

October 1, 2017 - \$15/hour

7. *If an employee's salary is to be above the salary range established for his/her position, does this have to be approved as an exception?*

Yes. The policy requires an individual employee's salary to be within the salary range established for his/her position. If the employee's salary is to be above that

range, an exception to policy has to be approved by the appropriate authority in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees*.

Individual Salary Actions

8. What is the difference between an upward reclassification and a promotion? What about a downward reclassification and a demotion?

Reclassifications, whether upward or downward, are tied to positions. When a position is reviewed for reclassification, the work associated with that position is evaluated and the appropriate level for the position is determined based on that work. A position that is reclassified can be filled or unfilled at the time of the review.

Promotions and demotions are associated with employee actions. For example, a promotion may occur after an open recruitment process, where the employee is selected as the successful candidate for the higher level position. A demotion may happen as a result of corrective action or discipline, or an employee may voluntarily choose to take a position that is a demotion in order to learn new skills or gain more experience in a new field.

9. Can an employee receive a salary increase upon demotion?

Receiving a salary increase upon demotion would be an exception to policy and require approval by the appropriate authority in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees*.

Dual Employment

10. What is dual employment?

Dual employment is the term used to describe additional time worked by a PSS employee in a second staff appointment when he/she also holds a 100% staff appointment. Multiple appointments that together exceed 100% is also considered to be dual employment – see FAQ 11. Staff employees holding dual employment is expected to be a rare occurrence.

11. What is the difference between dual employment and multiple appointments?

Typically, dual employment occurs when an employee holds one 100% appointment and a second appointment. Multiple appointments occur when an employee does not hold a 100% appointment, but rather two or more appointments that are each less than 100% and the total of all appointments does not exceed 100%.

Multiple appointments that together exceed 100% is also considered to be dual employment, but only if criteria b, c, e, and f in the policy (Section III.B.10) are met and the appointments do not exceed a total of 120%.

12. What is the difference between dual employment and additional cash compensation?

Dual employment is a temporary employment situation where a 100% staff employee works in a second staff appointment at no more than 20% for no longer than 12 months (see the policy for additional criteria). “Additional cash

compensation” is a list of ways a full-time employee can receive additional compensation within what is allowed under policy and without holding dual employment (see Section III.B.8 of the policy).

13. Do all of the criteria in the policy (Section III.B.10) have to be met in order for an employee to hold dual employment?

Yes, all of the criteria listed in the policy must be met. In addition, locations may have local procedures with additional restrictions.

14. Are employees appointed to the Managers & Senior Professionals (MSP) personnel group allowed to hold dual employment?

The policy allows dual employment for employees appointed to the Professional & Support Staff (PSS) personnel group. Dual employment held by an MSP employee is an exception to the policy and would have to be approved by the appropriate authority in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees*.

15. Can dual employment last for more than 12 calendar months?

The policy limits dual employment to 12 calendar months. If dual employment is to last beyond 12 calendar months (whether the dual employment appointment is initially set up for more than 12 months or later extended), it must be approved as an exception by the appropriate authority in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees*.

Hours of Work

16. How is an exempt employee’s “regular schedule” determined?

Supervisors can create a “regular schedule” for an exempt employee or can determine a schedule after discussion with the employee. The schedule should appropriately reflect the position’s appointment percentage and work expectations for the position.

Meal Periods (Non-Exempt Employees Only)

17. Does an employee have to be given a meal period?

If the employee’s total workday is at least 5 hours then the employee must be given a meal period unless one or both of the following situations apply:

- Operational considerations require the employee to continue working during the meal period. This is meant to provide departments with flexibility should an emergency or one-off situation arise that would necessitate the employee working during his/her normally scheduled period.
- The supervisor and employee mutually agree to waive the meal period.

If the employee works during the meal period, he/she must be paid for that time.

18. Can a department unilaterally set a regular schedule of, for example, 8 straight hours, without a meal period?

It would be an exception to this policy that would require approval by the Vice President–Human Resources for a department to set a regular schedule of 8 straight hours without a meal period.

19. Do meal and rest periods have to be taken at the same time each day?

No. Supervisors should determine an appropriate schedule based on operational considerations. Alternate meal and rest periods should be provided if operational considerations require the employee to continue working during his/her normally scheduled periods.

Travel Time (Non-Exempt Employees Only)

20. Please clarify when travel time equals time worked and when it does not.

When travel time equals time worked and when it does not depends on the kind of travel involved. General information is provided below; however, because individual travel situations may vary greatly, the local Compensation Office should review the specific circumstances to determine whether travel time counts as compensable time worked.

Same Day Travel: For a non-exempt employee who travels to a meeting that is not held at his/her regular work location and who returns home on the same day, the time spent traveling to the meeting and returning from the meeting is work time, except the University can deduct (or not count) the time the employee would normally spend traveling to his/her regular work location.

Travel during the Work Day from Jobsite to Jobsite: Time spent by a non-exempt employee during the work day as part of the employee's principal activity, such as traveling from job site to job site, is time worked.

Travel that Requires Overnight Stay: Travel during the non-exempt employee's regular work day is time worked when it happens during the employee's normal work hours. Travel on the employee's day off during what would be his/her normal work hours were it not a day off is also time worked. Meal periods are not time worked.

Travel time outside of regular work hours while the employee is a passenger is not time worked, unless the employee performs actual work during that time (see below).

Time Spent Performing Work: If a non-exempt employee performs work while traveling (i.e. en route to the destination), that time counts as time worked regardless of the method of transportation or hours during which it is performed.

Overtime and Over-Schedule (Non-Exempt Employees Only)

21. Do I have to get approval before I work overtime or over-schedule?

Yes, policy requires advance approval before you work overtime or over-schedule.

22. An employee reporting to me worked overtime that I didn't approve in advance. Is the University required to pay the employee for this time?

Yes, the University must still pay the employee for the time, even if he/she did not get advance approval. However, you can remind the employee that the policy requires advance approval or, when appropriate, issue disciplinary action, for example, if there is repeated failure to get advance approval.

23. What is the difference between time worked that is over-schedule, straight-time overtime, and premium overtime?

Over-schedule is time worked that exceeds your regular daily schedule on pay status. For example, if your regular daily schedule is 8:00a.m.–5:00p.m., and on Monday you work from 8:00a.m.–6:00p.m., the hour worked between 5:00 and 6:00 is “time worked over-schedule.”

Straight-time overtime occurs when your hours on pay status, but not your actual time worked, exceed 40 in one workweek. For example, on Monday you work from 8:00a.m.–6:00p.m., on Tuesday–Thursday you work 8:00a.m.–5:00p.m., and on Friday you are on vacation. Because you were on vacation, your actual time worked that week was 33 hours. However, your total hours on pay status for the workweek was 41. That additional hour is considered “straight-time overtime.”

Premium overtime occurs when your total hours worked exceed 40 in one workweek (unless you are a Safety or Hospital employee). For example, on Monday you work from 8:00a.m.–6:00p.m., on Tuesday and Wednesday you work 8:00a.m.–5:00p.m., and on Thursday and Friday you work 8:00a.m.–6:00p.m. Your total hours worked for that week add up to 43. Those additional 3 hours are considered “premium overtime.”

24. When do non-exempt employees make their election between receiving pay or compensatory time off for overtime? Can the election be changed at a later time?

Local procedures determine when non-exempt employees make their initial election between receiving pay or compensatory time off for overtime and whether they can change their election at a later time.

25. Who makes the decision regarding whether overtime or over-schedule will be compensated as pay or compensatory time off?

Both the employee and the supervisor play a role in determining whether overtime and over-schedule is compensated as pay or compensatory time off. First the employee elects whether or not he/she is willing to receive compensatory time off for overtime/over-schedule. If the employee does not elect to receive compensatory time off, the employee must be paid for any overtime/over-schedule worked.

If the employee elects to receive compensatory time off, then management has the discretion to provide pay or compensatory time off for any overtime/over-schedule worked.

Ancillary Pay

26. Section III.E.1 (Ancillary Pay – Shift Differential) states: “A change in shift assignment initiated by the employee is not covered by this policy.” What does this mean?

This language refers to situations where an employee who normally works an evening or night shift works a day shift temporarily (for four working days or less). If the employee initiated this change in shift, he/she will not receive any shift differential pay for the time he/she is working the day shift. If management initiates the change in shift, then the employee will receive the shift differential pay he/she normally receives for working the evening or night shift for the period he/she is assigned to the day shift, as long as the change in assignment is for four working days or less.

Approval Authority Matrix for Salary Actions Applicable to Staff Employees

27. Can the authorities in the Approval Authority Matrix for Salary Actions Applicable to Staff Employees (see Appendix) be redelegated? If so, how is redelegation determined?

The authorities in the *Approval Authority Matrix for Salary Actions Applicable to Staff Employees* can be redelegated, except for the authority to approve salary actions within policy for employees in non-athletic positions whose total cash compensation is greater than the Indexed Compensation Level.

Redelegation is determined locally. Employees and managers should consult their location's local procedures and/or local Human Resources or Compensation Offices to find out whether an authority has been redelegated and to whom.

VIII. REVISION HISTORY

TBD 2018 – In support of the University's commitment to pay equity, the annual salary increase limit in Section III.B.4 was removed.

May 31, 2018 – Language added to the Procedures section affirming that, as locations, transfer to UCPath, General and Merit Increases based on a percentage increase will be rounded up.

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

- *Personnel Policies for Staff Members 30 (Compensation)*, dated December 15, 2015

This Policy was also remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0.

December 15, 2015 – Language regarding the UC minimum wage under the Fair Wage/Fair Work Plan was added.

April 10, 2015 - Policy changes include:

- *Incorporation into this policy of Personnel Policies for Staff Members (PPSM) 31 (Hours of Work), PPSM 32 (Overtime (Non-exempt Employees Only)), and PPSM 33 (Shift and Weekend Differential (Non-exempt Employees Only)).*

- *Incorporation into this policy of Delegations of Authority 1084 (Compensation for Administrative and Professional Staff (A&PS) Personnel Health Care Titles), 2070 (Exceptions to Policy 30.L, Restrictions (Additional Compensation)), 2074 (Ancillary Pay Practices), 2076 (Fair Labor Standards Act (FLSA) Exemption Status), and the provisions of 2087 (Appointments, Demotions, Dismissals, and Compensation of Certain Staff Personnel) that pertain to compensation.*
- Addition of language regarding minimum wage, general increases, retroactive salary actions, alternate work schedule, over-schedule, and certification pay.

As a result of the issuance of this policy, the following document is rescinded as of the effective date of this policy and is no longer applicable:

- *Personnel Policies for Staff Members 30 (Compensation),* dated April 10, 2015

The following documents have been rescinded and are no longer applicable:

- *Personnel Policies for Staff Members 30 (Salary),* dated March 1, 2002
- *Personnel Policies for Staff Members 31 (Hours of Work),* dated March 1, 2002
- *Personnel Policies for Staff Members 32 (Overtime (Non-exempt Employees Only)),* dated July 1, 1996
- *Personnel Policies for Staff Members 33 (Shift and Weekend Differential (Non-exempt Employees Only)),* dated July 1, 1996
- *Delegation of Authority 0882 (Approval of Individual Exceptions Regarding Premium Overtime),* dated October 2, 1985
- *Delegation of Authority 1000 (Exceptions to Administrative and Professional Staff Personnel Policy 130.4, Merit Review),* dated June 26, 1989
- *Delegation of Authority 1084 (Compensation for Administrative and Professional Staff (A&PS) Personnel Health Care Titles),* dated June 1, 1993
- *Delegation of Authority 2070 (Exceptions to Policy 30.L, Restrictions (Additional Compensation)),* dated July 29, 1996
- *Delegation of Authority 2074 (Ancillary Pay Practices),* dated August 1, 1996
- *Delegation of Authority 2076 (Fair Labor Standards Act (FLSA) Exemption Status),* dated August 1, 1996
- *The provisions of Delegation of Authority 2087 (Appointments, Demotions, Dismissals, and Compensation of Certain Staff Personnel) that pertain to compensation,* dated September 15, 1997

July 1, 2012 - This policy was reformatted into the standard University of California policy template. The following documents were incorporated into policy and rescinded as of July 1, 2012:

- *Delegation of Authority 0886 (Exceptions to Staff Personnel Policy 305.33 and 305.34, Salary Adjustment upon Demotion or Downward Reclassification),* dated October 2, 1985

- *Delegation of Authority 2071 (Exceptions to Staff Policy 32.C – Compensation for Overtime)*, dated July 29, 1996

March 1, 2002 - The following documents were rescinded:

- *Staff Personnel Policy 305 (Pay), Sections 305.1–305.25, 305.28–305.38 and 305.50*, dated May 1, 1994
- *Staff Personnel Policy 310 (Hours of Work)*, dated May 1, 1994

July 1, 1996 - The following documents were rescinded:

- *Staff Personnel Policy 305 (Pay), Sections 305.39–305.49*, dated May 1, 1994
- *Staff Personnel Policy 315 (Overtime)*, dated May 1, 1994

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IX. APPENDICES

PPSM 30 (Compensation): Approval Authority^[1] Matrix for Salary Actions^[2] Applicable to Staff Employees^[3]

| Staff Employee's Position or Location: | | Officer of the University ^[4] (not member of Senior Mgmt Group, at any location) | | Athletic Director, Coach, Other Athletic Position ^[5] | | Campus, Medical Center, Lawrence Berkeley Laboratory, Agriculture & Natural Resources | | Office of the President | | |
|---|---------------------------------------|--|---------------------------------------|--|--|---|--|----------------------------|--|------------------------|
| | | Direct Report to President | Other than Direct Report to President | Direct Report to Chancellor | Other than Direct Report to Chancellor | Direct Report to Chancellor or Lab Director or VP-ANR | Other than Direct Report to Chancellor or Lab Director or VP-ANR | Direct Report to President | Under Jurisdiction of a Principal Officer ^[6] | All Other OP Employees |
| TCC^[7] less than or equal to Indexed Compensation Level | Actions within policy | President | President | Chancellor | Chancellor | Chancellor or Lab Director or VP-ANR | Chancellor or Lab Director or VP-ANR | President | Principal Officer | EVP-COO or VP-ANR |
| | Actions outside policy ^[8] | Regents | Regents | Chancellor | Chancellor | Chancellor or Lab Director or VP-ANR | Chancellor or Lab Director or VP-ANR | President | Principal Officer | EVP-COO or VP-ANR |
| TCC^[7] greater than Indexed Compensation Level | Actions within policy | Regents | President | President | Chancellor | President | Chancellor or Lab Director or VP-ANR ^[9] | Regents | President | President |
| | Actions outside policy ^[8] | Regents | Regents | Regents | Regents | Regents | President | Regents | Regents | Regents |

¹ In accordance with [Personnel Policies for Staff Members 1 \(General Provisions\)](#), the authorities shown in this matrix may be redelegated except as otherwise indicated.

² "Salary Actions" include actions taken per Sections III.B.1.c, III.B.2, III.B.3, III.B.4, III.B.6, III.B.7, III.B.8, III.B.9, and III.B.10 of *PPSM 30 (Compensation)*.

³ This approval authority matrix does not apply to members of the Senior Management Group.

⁴ In accordance with the policy on [Senior Management Group Appointment and Compensation](#) (Regents Policy 7701), the Chancellor, Laboratory Director, or Executive Vice President–Chief Operating Officer may approve Systemwide Salary Program increases at their respective locations for Officers of the University who are not members of the Senior Management Group.

⁵ When approving salary actions for Athletic Directors, Coaches, or staff employees in Other Athletic Positions, contact the local Compensation Office for the compensation components to be used to calculate Total Cash Compensation (TCC) and additional requirements.

⁶ Per [Regents Bylaw 20 \(Officers of the Corporation\)](#), the Principal Officers of the Regents are the Secretary and Chief of Staff to the Regents, Chief Investment Officer and Vice President for Investments, General Counsel and Vice President for Legal Affairs, and Senior Vice President–Chief Compliance and Audit Officer.

⁷ Contact the local Compensation Office for the compensation components to be used to calculate TCC.

⁸ "Actions outside policy" are actions that exceed this policy (also known as "exceptions"). Salary actions that are not expressly provided for under any policy and are applicable to staff employees who are not Officers of the University must be approved by the Vice President–Human Resources.

⁹ The authority to approve salary actions within policy for employees in non-athletic positions whose total cash compensation is greater than the Indexed Compensation Level cannot be redelegated.