



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

## Operating Policy and Procedure

**HSCEP OP:** 70.04, **Compensation**

**PURPOSE:** The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish a compensation philosophy that is equitable, market competitive, and serves to attract and retain top performers who are aligned with TTUHSC El Paso Values.

**REVIEW:** This HSCEP OP will be reviewed in December of each odd-numbered year (ONY) by the Vice President for Human Resources or designee, with recommendations for substantial revisions submitted to the Chief Financial Officer (CFO) and Vice President for Clinical Admin and Finance.

### **POLICY/PROCEDURE:**

TTUHSC El Paso will follow a compensation philosophy that supports its Values, remains compliant with applicable legislation, supports consistency across job classifications, and effectively utilizes financial resources. Salaries will be distributed equitably based upon the relative worth of various positions and employees assigned to those positions without regard to sex (including pregnancy), race, color, national origin, religion, age, disability, protected veteran status, genetic information, or any other legally protected category, class, or characteristic; and in keeping with the laws of the State of Texas and the Board of Regents.

### **1. Authority**

Authority to set compensation paid to employees resides with the Board of Regents. This authority is exercised through policies that regulate compensation and through review and adoption of the annual operating budget. The Board of Regents has delegated authority to approve all faculty and staff salary increases to the President. Salary increases requested outside the standard budget approval process and timeline will require approval of the President or designee.

The President delegates the authority to approve adjustments to an employee's salary when the increase was not budgeted in the current Fiscal Year Operating Budget in accordance with [HSCEP OP 10.11](#), Delegation of Authority. Under [Regents' Rule 07.04.4.c\(2\)](#), approval by the President is required prior to the effective date for adjustments to an employee's total salary rate, not required by law, when such adjustment is 10 percent or more per annum. This does not apply to:

- Bona fide promotions or reclassifications;
- Supplemental compensation payments as provided by law (i.e., FLSA ruling, EEO settlements, etc.);
- Adjustments to the total salary or wage rate of an employee that result in an annual increase of \$2,000 or less; or
- Adjustments to an employee's salary rate from non-appropriated funds, which have a period other than the state fiscal year, if the increase is consistent with the institutional increases given to other persons, and if the Vice President of Human Resources and the President have reviewed the adjustment and the President has approved it.

### **2. Texas Tech Pay Plan**

In collaboration with Texas Tech University System, Texas Tech University and Texas Tech Health Sciences Center, TTUHSC El Paso will maintain a plan that establishes a schedule of pay rates

and/or ranges and shows the assignment of each job title in the pay plan to one of the rates or ranges. The Chancellor and Presidents of each TTU System entity are responsible for the oversight of the shared Pay Plan.

### **3. New Hire Compensation**

While no employee will receive compensation less than the respectful wage set by TTUHSC El Paso, employees in student categories may have a different minimum pay.

New hire salary offers for grant-funded staff positions must align with all provisions outlined in this policy and in accordance with standard TTUHSC El Paso compensation practices.

### **4. Types of Pay Increases**

#### **A. Merit**

Per established fiscal year Budget Guidelines, TTUHSC El Paso utilizes a September 1<sup>st</sup> salary cycle for all departments for merit-eligible employees.

Merit increases are not considered Cost of Living Adjustments (COLAs).

Merit increases are intended to be awarded/allocated based on individual performance as documented in the employee's completed performance evaluation, with consideration for the entire evaluation period.

#### **Eligibility**

1. The employee must occupy a current, benefits-eligible staff position.
2. The effective date of the increase is at least six (6) months after the effective date of the employee's last promotion, reclassification, equity, or merit increase;
3. The employee must have a performance evaluation in Dynamic Forms with a "Form Status" of "Processed."
4. The employee must have received an overall rating of "Proficient," "Accomplished," or "Distinguished."
5. Employees who occupy a "Return to Work Retiree" secondary appointment are merit-eligible, providing all other criteria have been met.
6. Existing employees who transfer internally between departments remain merit-eligible, providing all other criteria have been met.
7. Employees occupying a grant-funded position may receive a merit increase providing all eligibility requirements are met and grant funds are available.

#### **Required Approval**

1. The employee's departmental leadership is responsible for awarding/allocating all employee merit increases within the allotted merit pool.
2. Proposed merit increases for employees above 5% require the corresponding department's Vice President/Dean's approval.
3. September 1 proposed salary increases resulting from a merit increase for employees are not considered final until approval by the Board or Regents during the August meeting.

#### **Submissions/Processing**

1. Departmental leadership is responsible for awarding/allocating all employee merit increases. Merit increases shall be entered into the Salary Planner merit column.
2. The total merit awards may not exceed the amounts identified for the entire staff pool.
3. Merit increases should not be entered for any staff member who is not eligible. Any such departmental entries will be removed by the Budget Office.

**Exclusions**

1. Faculty are not eligible to receive a merit increase.
2. Staff who received a promotion, salary increase, or job classification/title change resulting in a salary adjustment after March 1.
3. Employees who do not have a performance evaluation in Dynamic Forms with a "Form Status" of "Processed."
4. Employees who received an overall rating of "Needs Improvement" or "Developing."
5. Employees occupying a secondary appointment *other than* "Return to Work Retiree."
6. New employees hired on August 1 or after are not eligible.
7. Employees occupying a grant-funded position for which grant funding is not available for the merit.

**5. Extra Compensation**

Three (3) types of extra compensation are permitted under this policy: salary supplement for interim (INT) duties, additional compensation (ADC), and lump sum payment (LSP). Each type of extra compensation has specific requirements that must be met to ensure accurate salary reporting and effort certification.

**Extra Compensation Types**

**B. Interim Duties**

Applies to full-time employees who are exempt from reporting overtime in accordance with the Fair Labor Standards Act (FLSA).

INT duties are additional administrative duties requiring temporary reassignment due to an existing vacant position and/or to oversee the onboarding/training of the new employee who filled the vacant position. The additional administrative duties assigned must be outside of the employee's normal duties.

Grant-funded staff positions are eligible to receive extra compensation for performing interim duties in accordance with all provisions outlined in this policy and standard TTUHSC El Paso compensation practices.

**Eligibility**

1. Assignment of additional administrative duties is limited to 6 months or less.
2. Eligible employees are required to have received a minimum overall rating of "Proficient" or above on their most recent performance evaluation.
3. Employees assigned additional administrative duties equal to or less than 30 calendar days are not eligible for INT payment.
4. The employee's additional administrative performance must be outside of the employee's normal duties, and may be outside of, or within, the employee's home department, depending on operational needs.
5. Employees who assume additional INT duties must meet all minimum requirements of the vacant position.
6. Assigned interim duties shall be compensated accordingly:

Current Permanent Position Pay Grade	Temporary Extra Compensation Allowed
800	Not Eligible
804, 805, 806	10% of Annual Base Salary/6 Mos. (of Permanent Position Pay Grade)
807, 808, 809	8% of Annual Base Salary/6 Mos. (of Permanent Position Pay Grade)

\*Sample Calculation: Permanent Position Pay Grade = 804  
 Salary of Current Permanent Position Pay Grade (804) = \$50,000  
 Temporary Extra Compensation Allowed = 10%

7. Departments will be required to terminate all INT payments once the vacant position is filled and the new employee who has filled the vacant position has been onboarded/trained (if prior to the end of the 6-month time limit).
8. Departments will be required to take the following steps if the vacant position has not been filled at the end of the 6-month time limit:
  - i. Submit a salary review via PASS to build in the additional compensation to the assigned employee's annual base salary (at the same rate as previously approved and listed above); and
  - ii. Close the vacant position with HR and the Budget Office.
9. Employees occupying a grant-funded position may receive extra compensation for performing interim duties providing all eligibility requirements are met and grant funds are available.

### **Required Approval**

1. Prior to electronic submission, all requests for INT payments must be approved by each of the following:
  - i. Employee's immediate supervisor;
  - ii. Departmental executive leader (VP/Dean/Chair);
  - iii. TTUHSC El Paso executive leaders:
    - a. CFO (or designee) for all institutional departments;
    - b. VP of Clinical Admin and Finance (or designee) for all FSOM and clinical departments;
    - c. VP of Human Resources.
2. TTUHSC El Paso executive leaders will collectively review and make a recommendation for approval or denial based on the supporting materials submitted by the requesting department to ensure consistent organizational practice.
3. All recommendations made by the TTUHSC El Paso executive leaders are considered final and will not be further reconsidered.
4. Final approval of all INT payments resides with the Office of the President via the electronic ePAF routing queue.

### **Submissions/Processing**

Requests for INT payments that have been recommended for approval by the aforementioned TTUHSC El Paso executive leaders are to be processed by the requesting department as a monthly overload payment via the ePAF system using the INT Earn Code (by the requesting department).

No electronic submissions for INT payments should be submitted without prior authorization from all required approvers.

### **Exclusions**

1. Employees who have received written corrective action and/or an evaluation rating lower than "Proficient" (on their most recent evaluation) within the last 12 months are not eligible for INT payments.
2. INT payments shall not be utilized in lieu of an annual merit increase, or for meritorious performance
3. INT payments shall not be utilized to supplement an employee's salary as a result of a RIF within the department.
4. Secondary appointments for staff positions are not permitted for the purposes of INT payments.
5. Professional activities performed outside of one's TTUHSC El Paso employment do not qualify for INT payment (includes but is not limited to consulting for other organizations).
6. Compensation for temporary additional administrative duties may not be below the

- minimum or above the maximum of the pay grade level(s) of the interim duties.
7. Employees assigned additional administrative duties equal to or less than 30 calendar days are not eligible for INT payment.
  8. Employees occupying a grant-funded position for which no grant funding remains are not eligible to receive extra compensation for performing interim duties.

### **C. Additional Compensation**

Additional Compensation is a supplemental payment that applies to full-time employees who are exempt from reporting overtime in accordance with the FLSA.

ADC duties are additional duties associated with an assigned special project that are outside of the employee's normal duties and are outside of the employee's home department. All special project duties are completed in addition to the employee's regular duties.

Grant-funded staff positions are eligible to receive extra compensation for special project completion in accordance with all provisions outlined in this policy and standard TTUHSC El Paso compensation practices.

#### **Eligibility**

1. Additional duties associated with a special project assignment are limited to 30 calendar days.
2. Eligible employees are required to have received a minimum overall rating of "Proficient" or above on their most recent performance evaluation.
3. Employees assigned additional duties for a special project equal to or less than 30 calendar days are not eligible for ADC payment.
4. ADC duties are additional duties associated with an assigned special project that are outside of the employee's normal duties and are outside of the employee's home department. All special project duties are completed in addition to the employee's regular duties.
5. ADC payments are required to be processed after full completion of the assigned special project.
6. All ADC payments for special project assignments are payable at a total of 5% of the employee's annual base salary.
7. Approved ADC payments are processed as a one-time payment in the EOPS system using ADC Earn Code.
8. Employees occupying a grant-funded position may receive extra compensation for special project completion providing all eligibility requirements are met and grant funds are available.

#### **Required Approvals**

1. Prior to electronic submission, all requests for ADC payments must be approved by each of the following:
  - i. Employee's immediate supervisor;
  - ii. Departmental executive leader (VP/Dean/Chair);
  - iii. TTUHSC El Paso executive leaders:
    - a. CFO (or designee) for all institutional departments;
    - b. VP of Clinical Admin and Finance (or designee) for all FSOM and clinical departments;
    - c. VP of Human Resources.
2. TTUHSC El Paso executive leaders will collectively review and make a recommendation for approval or denial based on supporting materials submitted by the requesting department.
3. All recommendations made by the TTUHSC El Paso executive leaders are considered final and will not be further reconsidered.
4. Final approval of all ADC payments resides with the Office of the President via the

electronic EOPS routing queue.

### **Submissions/Processing**

Requests for ADC payments that have been recommended for approval by the aforementioned TTUHSC El Paso executive leaders are to be processed by the requesting department as a one-time payment in the EOPS system using ADC Earn Code.

No electronic submissions for ADC payments should be submitted without prior authorization from all required approvers.

### **Exclusions**

1. Employees who have received written corrective action and/or an evaluation rating lower than “Proficient” (on their most recent evaluation) within the last 12 months are not eligible for ADC payments.
2. ADC payments shall not be utilized in lieu of an annual merit increase or for meritorious performance.
3. ADC payments shall not be utilized to supplement an employee’s salary as a result of a RIF within the department.
4. Employees are limited to two (2) ADC payments per fiscal year (Sept 1 – Aug 31).
5. Secondary appointments for staff positions are not permitted for the purposes of ADC payments.
6. Professional activities performed outside of one’s TTUHSC El Paso employment do not qualify for ADC payment (includes but is not limited to consulting for other organizations).
7. Employees assigned special project duties equal to or less than 30 calendar days are not eligible for ADC payment.
8. Employees occupying a grant-funded position for which no grant funding remains are not eligible to receive extra compensation for special project completion.

### **D. Lump Sum Payment**

A Lump Sum Payment (LSP) is generally reserved for processing the following:

- Payments to nonexempt employees owed Longevity Pay due to Prior State Service credit.
- Payments to zero-salary, zero FTE positions (ex., recurrent faculty/staff, relief, physicians, standardized patients, and student tutors).
- Payments of regular salaries due to salary changes that did not make the payroll deadlines (underpayments).

All other use of the LSP Earn Code is required to be verified in advance by the Human Resources Department prior to submission to ensure appropriate use, and in accordance with FLSA.

Grant-funded staff positions are eligible to receive Lump Sum Payment in accordance with all provisions outlined in this policy and standard TTUHSC El Paso compensation practices.

## **6. Overtime Pay**

TTUHSC El Paso will adhere to all regulations regarding overtime pay and record keeping under FLSA.

An employee occupying a position designated as **non-exempt (N)** in the Texas Tech Pay Plan is subject to the record-keeping and overtime provisions of the FLSA. Each non-exempt employee is required to maintain a record of actual hours worked and leave hours taken through the Texas Tech Online Web Time Entry (WTE) System or, where applicable, with time clock entries through Time Clock Plus (TCP) for each pay period during which any time is worked. The employee’s time approver is responsible for assuring the employee complies with this requirement and will certify that the reported hours are correct.

An employee occupying a position designation as **exempt** (E) in the Texas Tech Pay Plan is salaried and exempt from reporting daily worked hours and from the overtime regulations under the FLSA. Exempt employees are paid for the accomplishment of assigned tasks without accounting for hours worked or being entitled to overtime pay. Exempt employees shall report all leave taken through the Texas Tech online Web Leave Report (WLR) System.

**7. Right to Change Policy:**

TTUHSC El Paso reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time without the consent of employees.