SCOPE

The following compensation guidelines apply to all OUHSC operations regardless of size or source of funds. They apply to all regular full-time and part-time staff, temporary, and student employees. They do not apply to faculty, administrative or executive officers.

COMPENSATION PHILOSOPHY

Base Pay Goals

- Support OUHSC’s Mission
- Competitive within Appropriate Markets
- Balance Rewards and Fiscal Responsibility

The OUHSC base pay plan for staff employees is designed to support the OUHSC mission “to provide the best possible educational experience for our students through excellence in teaching, research and creative activity, and service to the state and society”. The base pay approach is to target the staff salary structure midpoints at the 50th percentile of the following surveys to be competitive within our appropriate markets:

- CUPA-HR: Professional, administrative, and administrative support jobs.
- Culpepper: Professional and administrative jobs across all job categories, including IT and Operations.
- Compdata: Healthcare professional and support, other administrative and managerial.
- Quorum: Skilled trades, administrative support and managerial.
- Oklahoma Hospital Association: Healthcare professional and support.

Fiscal responsibility requires that this program be administered in a fair and consistent manner throughout the organization. The base pay plan provides a structure of jobs and pay grade midpoints that balance internal equity and external competitiveness.

COMPENSATION POLICY

It is the University's policy to administer pay in a fair, competitive, and non-discriminatory manner and in compliance with applicable federal and state laws, and University guidelines.

Each staff job is assigned to a pay grade within the salary structure. Each pay grade includes Minimum, Midpoint, and Maximum pay rates.

- Minimum: The pay grade minimum represents the lowest pay level recommended for a job.
• Midpoint: The pay grade midpoint represents the University’s competitive market pay for a job.
  
  o Hiring a new employee above the midpoint requires the approval of the Dean or Director and Human Resources.

• Maximum: The pay grade maximum represents the highest pay level recommended for a job.
  
  o Hiring a new employee above the maximum is not permitted. Annual salary increases, general or merit-based, are not permitted for employees whose salary is above the pay grade maximum.

Exceptions to this guideline require approval from the Dean or Director and Vice Provost of Health Sciences, Marcia Bennett (Vice Provost), or Vice President, Administration & Finance, Ken Rowe (Vice President), depending on the reporting hierarchy.

PAY ADJUSTMENTS

Annual, Merit-based Pay Increase Guidelines

Employee salaries, regardless of funding source, are typically reviewed annually as part of the budget process. Annual salary increases may be in the form of merit-based adjustments, general increases, lump sum payments, or any other form as prescribed and permitted by the University. The amounts and form(s) of annual salary increases may be determined by the University.

OUHSC leadership strongly encourages managers to make pay adjustment decisions based on the following guidelines:

• Colleges and Departments that have continuing funds available to provide pay increases may do so provided those increases are based on performance;
• To be eligible for a merit-based increase, an employee must have a completed performance appraisal on file for the most recent performance period;
• Full-time staff employees should be paid at least the pay grade minimum;
• Merit based pay adjustments should target employees whose performance is rated as “Performing Beyond Normal Work Requirements” (Exceeding Standards) and whose rate of pay is less than their pay grade midpoint (market target value). Consideration should also be given to employees who “Meet Standards” and whose pay is less than their pay grade midpoint (market target value);
• Decisions regarding salary increases should also consider the employee’s current rate of pay relative to the pay grade midpoint (compa-ratio), the amount of time since the last salary increase, and internal salary equity;
• Colleges and Departments may recommend lump-sum payments for employees whose base pay is at or exceeding their pay grade maximum (see lump-sum payment guideline below).

Lump Sum Payments
As an alternative to base pay increases, Colleges and Departments may recommend providing an employee(s) a lump-sum payment in lieu of a base pay increase. This option allows managers to reward employees without adding to ongoing fixed costs. The amount and timing must be approved by either the Vice President or Vice Provost.

Promotional Increases
A promotion is defined as accepting a job or being reclassified to a job with a higher pay grade assignment. Promotional pay increases may be provided at the time the promotion occurs.

At the discretion of the department and within available funds, the promotional increase may be set either
- At a rate between the new job’s pay grade minimum and midpoint, or
- Up to 10% above the employee’s rate of pay before promotion, even if such an increase would result in pay above the midpoint.

Promotional pay increases that are both greater than 10% and above the midpoint require approval from the Dean or Director and the Vice Provost or Vice President. Promotional pay increases may not be set above the pay grade maximum.

Lateral Transfers
A lateral transfer is defined as accepting a job or being reclassified to a job with the same pay grade assignment. Pay increases are not normally given for lateral transfers, however, an increase may be requested when the following conditions are met:
- The position was openly recruited, and
- The employee’s pay level before transfer is low relative to the midpoint for the grade, and
- An increase is needed to maintain internal equity.

Pay increases upon lateral transfer must be approved by the Dean or Director and Human Resources.

Demotions
A demotion is defined as accepting a job or being reclassified to a job with a lower pay grade assignment. Wage/salary may be reduced as a result of a demotion. It is recommended that an employee’s salary not be higher than the new pay grade’s maximum upon demotion. Decreases in salary upon demotion should be discussed
with Human Resources before action is taken.

**Salary exception requests**

Salary exception requests must be submitted on the prescribed form. After signature by the Dean or Department head, the form will be sent to Human Resources Compensation for further processing.

Salary actions requiring approval from the Dean or Director and Vice President or Vice Provost include:

1. Annual salary increases for employees hired or who received a salary increase after March of the current year.
2. Promotional pay increases that would be both greater than 10% and above the midpoint.
3. Lump-sum payments in lieu of salary increases for employees whose base pay is at or exceeding their pay grade maximum. A list of the employee(s) names and proposed amounts must be included with the exception request.

Salary exception requests requiring approval of the Dean or Director and Human Resources include:

4. Hiring above the midpoint.
5. Pay increase upon lateral transfer.

**Additional Information**

- Personnel action forms (ePAFs) and freeze exemptions are **not** required for pay source changes or for annual, merit-based pay increases or lump-sum payment awards provided as part of the budget-cycle process;

- Colleges and Departments may continue to conduct personnel actions, e.g. new hires/appointments, re-appointments/rehires, position reclassifications, promotions, etc., as appropriate and necessary to ensure continued operations.

- Colleges and Departments may adopt additional internal procedures for review of salary requests described by these Guidelines.

- Deans, Directors, Vice President, and Vice Provost may delegate the approval or review required by these guidelines.

- Freeze exemptions continue to be required for pay-related personnel actions that involve the use of State funds.

- The “OUSHC Compensation Guidelines” provide parameters and certain limitations with respect to employee pay; these Guidelines should be reviewed prior to making any pay-related offer in conjunction with a personnel
action.

- Pay increases for sponsored programs such as those contractually included in the funding of individual Sponsored Projects may be granted during the budget cycle.

- Employees should not be informed of pending, proposed pay increases or lump-sum payment awards until after the OU Board of Regents has approved.

As part of the budget approval process, a list showing individuals by name for whom pay increases are proposed that result in annual pay of $60,000 or more will be provided to the Board of Regents at its June meeting.