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## UMass President's Office

### Budget/HR Integrated Process for Determining Pay

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#### **1.0 Purpose of Guideline**

The purpose of this guideline is to create an orderly process through which department heads (or their designees throughout) may initiate, and HR and Budget will evaluate and respond to, requests to change the rate of pay for an existing position or establish a new rate of pay for a new or restructured position within the President's Office. (This guideline do not apply to the campuses.)

#### **2.0 Spring Process and Timeline**

- 2.1 As part of the annual budget process through UM-Plan, a labor plan file will be provided to each Department which will include all positions (filled or vacant) within that department along with basic budget information. Within the labor plan file, there is a place to request compensation changes; by populating the [Other Salary \\$ Adjmt](#) field.
- 2.2 The department head must submit their labor plan file through UM-Plan to the Budget Office. The department head should not include a potential merit increase. In other words, these are proposed changes that are over and above any merit increase that may be granted as part of a system wide adjustment in pay.

- 2.3 HR will then meet with the department head who made the request to discuss his/her rationale for the proposed increase.
- 2.4 HR will then gather additional information as is necessary and analyze the request. HR will make a determination as to whether the proposed change can be supported.
- 2.5 In concert with the budget approval process, HR and Budget will inform the department head if the proposed increase had been approved and budgeted.

### **3.0 Fall Review**

The Budget Office and HR will repeat a similar process a second time each year at a time that coincides with the fall budget review.

### **4.0 HR Review of Request**

- 4.1 As stated in section 2.4 above, HR will meet with the Department Head to understand and evaluate the basis of the request.
- 4.2 Reasons for the establishment of new rate or a change in the existing rate of pay may include:
  - 4.2.a The creation of a new position or a reorganization that substantially alter the primary duties of an existing position.
  - 4.2.b The contemplated assignment of new duties to an existing position that requires greater skill or abilities and are not reasonably related to the position's current duties and responsibilities.
  - 4.2.c The need to establish internal equity with other employees that perform the same or similar job duties.
  - 4.2.d The need to maintain a salary that is competitive with the employment market in order to ensure that the UMSO does not lose key talent due to a non-competitive pay position.

### **5.0 Off-Cycle Requests**

In some instances, an unanticipated departure of an employee or an unanticipated business need may create a time sensitive need for a department to establish/amend a rate of pay and this determination cannot reasonably wait for the next bi-annual process (as outlined above.)

- 5.1 Department heads who are making an off-cycle request should send an email to both the Assistant Vice President of Budget and Planning and the Director of Compensation.
- 5.2 HR and Budget will determine if the request will be considered at that time or delayed until the next bi-annual process (outlined in sections 3 and 4 above.)
- 5.3 HR will make a determination about the request and inform both the Department Head and the Budget Office.
- 5.4 If HR's determination has a financial impact then the department head will work with Budget to determine if and how the change will be funded.

Departments Heads, with assistance from HR as needed, must complete a Comp Change Form for any off-cycle request (see 2.3 above).

## **6.0 Exemptions to this Process**

The following actions do not need to be reviewed as part of this process:

- 6.1 A budgeted position that is being posted at a rate of pay that is the same or less than the incumbent departing employee and will have the same position title and essentially the same job duties. This is often referred to as a back fill. (HR will need to confirm that any changes that are made to update the job description at this time are not so significant as to require a change in title or compensation.)
- 6.2 Periodic merit increases that may be granted to employees as part of a system wide adjustment in pay.
- 6.3 Step increases that are being granted to employee in compliance with an established pay plan do not need to be approved through this process.

## **7.0 Employee Initiated Concern About Pay**

If an employee believes that he/she is being paid in a manner that violates any federal or state law then the employee has the right to bring this complaint to HR at any time. HR will review the concern and inform the employee, the department head and the Budget Office of the results. HR will keep a log of all of these concerns along with a log of all the requests that it receives through the bi-annual budget process.

## **8.0 Assignment of New Job Duties**

- 8.1 Department heads should not assign new duties to a position unless those duties are reasonably related to the essential functions of the position and require the same or similar skills as the duties currently assigned to the employee.
- 8.2 If a department head wants to assign new duties and/or duties that require a greater level of skill, then the manager must work with HR to create a revised job description for the position. As part of this process, HR will determine if the new job

duties necessitate a change in pay and/or create an obligation to change a position title or post the position. If yes, HR will inform the department head and the Budget Office of the results of this assessment and assist the Department with taking any necessary actions. The Budget Office and the department head will then determine if and how the higher paid position will be funded.

## **9.0 Talent Retention and Counter Offers**

### **9.1 Retention Goal**

The UMSO seeks to retain critical talent and be in a competitive position to recruit new talent. However, we cannot reasonably outpace every other employer. Like all other employers, we will lose some talent to other employers and recruit some talent away from other employers. It is our goal to be able to most often retain the talent we need to achieve our goals and to not lose talent at a frequency that is disproportionately higher than the turnover that is inherent in the workforce.

### **9.2 Counter Offers to Retain Incumbent Employees**

The HR Department discourages departments from seeking to increase the pay for a position in order to retain an employee who has secured an offer of employment from another employer. Instead, departments are encouraged to use the bi-annual process to identify, prioritize and adjust the pay of those positions that may need an adjustment in order to maintain internal and external equity.

## **10.0 Salary Surplus**

### **10.1 Impact on Compensation Evaluation**

Frequently, a department may have a salary surplus in their annual budget as a result of departures or other personnel changes. However, the existence of a salary surplus is not a factor when HR determines the appropriate rate of a pay for a position.