

**VII - 9.20 - POLICY ON PAY ADMINISTRATION FOR REGULAR NONEXEMPT STAFF EMPLOYEES**

(Approved by the Board of Regents, June 9, 1995, EFFECTIVE July 1, 1996. Amended April 9, 1999. Amended October 9, 2015. Please refer to the “replacement for” section of this policy.)

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**I. PURPOSE AND APPLICABILITY**

It is the USM policy that employees may be eligible to receive salary increases for reasons of cost of living adjustments; annual salary increases based on performance; salary structure adjustments; completion of certain probationary periods; promotion, and other purposes as designated by the Chancellor. This policy also establishes the timing and basis for granting multiple adjustment increases and non-cumulative cash bonuses. This policy applies to Regular Status Nonexempt Staff employees.

**II. DEFINITIONS**

## **USM Bylaws, Policies and Procedures of the Board of Regents**

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For purposes of this policy the following terms and definitions shall apply.

A. Transfer:

A transfer is defined to be:

1. A lateral move to a position with the same salary range,
2. A promotional move to a position rated at a higher salary range than the range of the current position, or
3. A demotional move to a position with a lower salary range than the range of a current position.

Transfers may occur within or across organizational units and within or across USM institutions.

B. Reclass

An action that occurs when the job class to which a position is assigned is changed by raising it to a higher class, reducing it to a lower class, or changing it to another class at the same level. See also BOR VII-9.70 Policy on Requesting A Position Classification Review for Nonexempt Staff Positions.

C. Reinstatement

A former Regular Status employee's return to employment with a USM institution within three (3) years following a period of separation from the USM and/or State Employment. See BOR VII-9.61 Policy on Reemployment and Reinstatement for Regular Status Nonexempt and Exempt Staff Employees.

D. Re-Employment

A former Regular Status employee's return to employment with a USM institution after a period of separation from the USM and/or State employment greater than three (3) years.

### **III. SALARY UPON ENTRY INTO USM SERVICE**

A. Entrance Into Service

1. Appointment to any USM position shall be made at least at the minimum of the salary range for the job class to which the position is assigned.
2. The salary for all part-time regular appointments shall be prorated based on the salary prescribed for regular full-time appointment.

B. Appointments Above Minimum

1. The institution's President or designee may authorize a salary above the minimum of the range but within the maximum of the range for the job class for any of the following criteria:
2. A demonstrated and documented inability to attract a pool of qualified candidates; or
3. Rejection of an offer of employment at the minimum rate for the position by the institution's top candidate(s); or
4. Other circumstance which is documented and approved by the institution's President or designee.

**IV. SALARY UPON REINSTATEMENT**

The institution's President or designee shall have the flexibility to authorize a salary for a position to be occupied by an individual eligible for reinstatement in keeping with the following provisions:

**A. Reinstatement to A Job Class With the Same Maximum Salary**

Upon reinstatement to a position within a job class that has the same maximum salary as the job class at the time of the individual's most recent separation, the individual's salary shall be no less than the salary that same individual held at the time of most recent separation from USM service.

**B. Reinstatement to a Job Class with a Higher Maximum Salary**

Upon reinstatement to a position within a job class that has a higher maximum salary than the job class at the time of the individual's most recent separation, the individual's salary shall be no less than the salary that the individual held at the time of most recent separation from USM service, but no less than the minimum salary for the job class.

**C. Reinstatement to a Job Class with a Lower Pay Range**

Upon reinstatement to a position within a job class that has a lower pay range than the job class at the time of the individual's most recent separation, the individual's salary shall be no more than the salary received at the time of most recent separation, unless the salary falls below the minimum of the lower pay range. The President or designee shall determine the individual's salary within the range.

**V. SALARY UPON RE-EMPLOYMENT**

Any former employee returning to USM service on a re-employment basis must re-enter as a new employee.

**VI. COLA**

All regular status Nonexempt Staff employees shall receive COLA increases as appropriated by the Maryland General Assembly..

**VII. PERFORMANCE BASED SALARY INCREASES**

A. Provided funds are available, it is the policy of the USM that employees who consistently meet the standards of performance for their positions shall receive performance based salary increases. These increases normally shall be effective on July 1, as appropriated by the Maryland General Assembly

B. Salary increases shall be administered as follows:

Employees who have completed an original probation period and who on an overall basis meet the standards of performance throughout the evaluation period, shall receive a 2.5% (percent) increase.

**VIII. SALARY STRUCTURE ADJUSTMENTS**

In the event that the salary structure is adjusted, employees' salaries shall be adjusted according to BOR VII-9.10 Policy on the Pay Program for Nonexempt Staff Employees.

**IX. COMPLETION OF PROBATIONARY PERIOD**

Upon successful completion of an original or a promotional probationary period (not for a probationary period because of a lateral transfer), Nonexempt employees shall receive a 2.5% salary increase effective at the beginning of the pay period following successful completion of the probationary period.

**X. SALARY UPON TRANSFER OR RECLASS**

A. Salary Upon Promotional Transfer or Promotional Reclass

1. Competitive Promotion

Upon competitive promotion, the salary for an employee shall increase at least six percent (6%). Employees shall be granted an additional 2.5% increase upon successful completion of a probationary period.

2. Promotional Reclass

Upon a promotional reclass, the salary for an employee shall increase at least six percent.

**B. Salary Upon Lateral Transfer or Lateral Reclass**

Upon both circumstances the employee's salary shall remain the same.

**C. Salary Upon Demotional Transfer or Demotional Reclass**

1. A demotional transfer or reclassification to a lower pay range may result in a reduction to pay. Upon demotional transfer or reclassification, the employee's salary shall be placed within the new pay range without providing a salary increase or to the new pay range maximum if currently above the pay range maximum. In no case shall the employee's salary exceed the maximum of the pay range for the job class to which she/he was demoted.
2. A demotional reclass for disciplinary reasons may result in a reduction in pay.

**XI. WITHIN RANGE SALARY ADJUSTMENT**

An employee's salary may be adjusted at any time to meet documented critical business needs (e.g., massive turnover, market driven, supply/demand). The appropriate administrator shall submit a written request to the institution's President or designee along with a justification for the adjustment. The President or designee will review the request, confer with the Vice Chancellor for Administration and Finance, and take action as appropriate.

**XII. SALARIES EXCEEDING THE MAXIMUM OF THE RANGE**

The institution's President or designee may authorize a salary that exceeds the maximum of the range in order to accommodate a salary adjustment, as described in Section VII, above. Any such authorization will be done in consultation with the Vice Chancellor for Administration and Finance.

**XIII. REPORTING OF SALARY INCREASES**

Consistent with the Chancellor's Salary Guidelines for each fiscal year, USM institutions may be required to make specified periodic reports of designated salary increases.

**XIV. PRIORITY FOR PROCESSING SIMULTANEOUS PAY TRANSACTIONS**

When two or more pay transactions are to occur simultaneously, the order of the processing shall be:

- A. First, salary structure adjustment, if involved,

- B. Second, Cost of Living Adjustment (COLA), if involved,
- C. Third, merit adjustment, if involved,
- D. Fourth, any other transaction such as promotion, reclass, etc.

**XVI. NON-CUMULATIVE CASH BONUSES**

- A. A bonus is defined as a lump sum non-cumulative cash award that may be granted to a regular employee for an extraordinary contribution which substantially benefits the USM institution. Bonus payments shall not be counted as part of base salary.
- B. The bonus pool shall be determined within the guidelines established by the Chancellor as part of the annual salary review process. Each President or designee shall establish criteria for bonus eligibility, review and approval, and amount of bonus awards.

**IMPLEMENTATION PROCEDURES:**

Each President shall identify his/her designee(s) as appropriate for this policy, develop procedures as necessary to implement this policy, communicate this policy and applicable procedures to his/her institutional community, and post it on its institutional website.

**REPLACEMENT FOR:**

BOR VII – 9.30 Policy on Salary Upon Entry Into UMS Service

BOR VII – 9.40 Policy on Salary Upon Transfer or Reclass

BOR VII – 9.60 Policy on Salary Upon Reinstatement