

Frequently Asked Questions about Compensation

How are salaries determined? Salaries are determined based on internal equity, external market data, and an individual's education, experience, and skills relative to the position's qualifications. Internal equity is assessed by reviewing positions in the same job family¹ in the same grade level across the University. UHR's Compensation and Organizational Services reviews and approves all salaries for offers, promotions, equity increases, and transfers.

What market data is used? Compensation and Organizational Services participates in multiple salary surveys yearly, including those from academia and private industry, to gather external market data for benchmark positions. The market is comprised of institutions comparable to Brown, as well as regions where employees are recruited. Market data is used to inform salary offers, promotional increases, equity adjustments, and salary structures.

What does the midpoint represent? The midpoint represents the middle value between the minimum and maximum in the salary range. The salary ranges for each grade are designed to be broad so they can accommodate the differences in market pay for different job families within the grade. It is a common misconception that years of service and experience determine whether an employee should be paid at midpoint.

When is an equity increase appropriate? Equity increases should be considered when:

- The employee's salary is significantly below the salaries of comparable jobs in the appropriate marketplace.
- The employee's salary is below the salaries of employees in the same job family and grade.
- The position requires skills and knowledge critical to the department and would be difficult to replace.

Click [here](#) for more information on equity increases.

¹ **Job Family:** A group of jobs involving similar types of work and requiring similar training, skills, knowledge, and expertise. Positions in a job family can range from entry level to senior and require different levels of skill and responsibility.

- Some job families have more jobs in them than others, and those with many jobs may have specialty areas within them.
- In all cases, jobs can only reside in one job family. However, jobs in a job family can reside in many different departments. For example, all positions in the Human Resources job family are not in University Human Resources.
- The job family should most closely align to the primary role of the position.

Click [here](#) for more information on job families.

How are positions evaluated? In collaboration with HR Business Partners, Compensation Services determines a position's grade by reviewing the knowledge, skills, required education and experience, and job responsibilities listed in the job description. The complexity and scope of the position is also compared to similar positions at the University.

Compensation Services determines the recommended salary for the position by benchmarking the position to the market and comparing the position to similar positions at the University.

When is a job audit appropriate? A job audit is appropriate when a job is at least 50% different and now requires higher level work the department has deemed necessary. Job audits are not based on years of service or years in a particular grade level. Years of service is reflected in the employee's salary.

A job audit is typically one grade higher, but it could result in more than one grade if the responsibilities support that change. Click [here](#) for more information on job audits.

Is there a percentage cap for an employee receiving a promotion/job audit? There is no cap on the percent or amount of a salary increase. Salaries for promotions, transfers, and external offers are based on the following factors:

- Employee's qualifications relative to the position
- Internal equity
- Market pricing of the job family in the markets where Brown recruits

These factors determine where the salary will fall in the hiring range. Depending on these factors, it is possible for an employee who is promoted to receive a salary increase of 3%, while another employee may receive an increase of 15% (or higher). Typically, the average salary increase for promotions is between 5 and 10%.

When are performance bonuses appropriate? Departments give performance bonuses to recognize and reward staff members whose extraordinary efforts contribute to Brown in significant and meaningful ways, and include substantial accomplishments well beyond regular work responsibilities. Bonuses typically range from \$1,000 to \$3,000. Click [here](#) for more information on performance bonuses.

Should an employee receive a pay supplement for filling in for a vacant job? Not necessarily. An employee's pay may be supplemented for temporarily assuming higher level work than the employee's current grade or temporarily filling a vacant position requiring significant additional hours. The temporary assignment should be at least one month and typically not exceed one year. Nonexempt employees would be paid for all hours worked when filling in for a position at the same or lower level, so a pay supplement would not be appropriate. Nonexempt employees filling in for a position at a higher level may be supplemented using an hourly pay supplement. Click [here](#) for more information on pay supplements.

Why are job descriptions important? Job descriptions are important because they:

- Impact the applicant pool based on the education and experience listed in the job description
- Are the foundation for developing interview questions to ensure the right person is hired
- Allow the employee to understand the responsibilities, duties, and expectations required for the position
- Can be used to determine professional development opportunities
- Are used to evaluate the position to determine the FLSA status, grade, and recommended salary
- Serve as the basis for discussing ADA reasonable accommodations

Click [here](#) for more information on job descriptions.

How is the FLSA status (exempt or nonexempt) determined? In collaboration with HR Business Partners, Compensation Services reviews the job description to understand the main responsibilities and autonomy to make decisions. This information is used to determine the classification under the Fair Labor Standards Act (FLSA). To qualify as exempt, employees must be paid at least at a certain salary threshold; at Brown, this threshold is a full-time equivalent salary of \$48,000 and a grade 9. Employees performing executive, managerial, or computer-related job duties are generally considered exempt from FLSA.

Employees who work in positions classified as nonexempt are paid time and one-half for time worked in excess of 40 hours in one work week. Employees classified as exempt are not paid overtime under FLSA. Click [here](#) for more information on the Exempt and Nonexempt Employee Pay policy.