**Staff Compensation Administration (40.041)**

**Introduction**
Brown University recognizes the importance, contribution and performance of staff in pursuing achieving and supporting the university's missions. Therefore, Brown is committed to designing and maintaining compensation policies and programs which ensure equitable job and position evaluation, competitive pay, and performance based pay increases. Salaries are determined by the employee's qualifications as they relate to the position, internal equity, market pricing and the budgeted salary. Brown Staff Compensation Programs include the possibility of salary adjustments, pay supplements and bonuses.

This policy is organized as follows:

- **Performance Increases**
- **Equity Adjustments**
- **Pay Supplements**
- **Bonuses**

**Policy Statement**
Brown University is committed to consistent and equitable Staff Compensation Administration to provide competitive pay and performance based increases. This policy applies to all Staff positions within the University.

**Performance Increases**
The University annually determines the level of funding, if any, that is available for the annual staff performance increase process typically distributed on July 1.

The performance increase process includes the following components:

- Supervisors are required to complete an annual performance appraisal.
- Employees who meet University performance standards are eligible for a performance increase based on the guidelines distributed annually by Human Resources.
- All non-union staff who are Regular or Fixed-Term employees and hired before April 1 of the fiscal year are eligible for performance increases.
- Seasonal and intermittent employees are not eligible for a performance increase but may receive a salary adjustment.
- Employees who have been absent from work for a substantial amount of time during the evaluation period for reasons other than Family Medical Leave and/or who otherwise are covered under the Americans With Disability Act or other relevant federal or state laws, may receive lower increases.
- Performance increases for employees on a leave of absence on July 1 will have their increase delayed until they return to active status.
- Employees in good standing may not be paid less than the salary grade level minimum.

**Equity Adjustments**
Equity adjustment may be necessary when external or internal considerations affect the salaries of an individual, a department or a group of jobs.

Staff who meet or exceed performance standards may be considered for an equity adjustment.
• External equity. External equity involves researching the University's alignment to what competing employers pay to attract and retain employees in positions which require similar skills and responsibilities.

• Internal equity. Internal equity adjustments may also be appropriate for employees whose responsibilities have significantly increased but where the job grade remains the same.

Equity adjustments require the approval of the supervisor, department head, the appropriate senior officer and Compensation & Organizational Services.

**Pay Supplements**
An employee's pay may be supplemented for temporarily assuming higher level work than the employee’s current grade.

• Pay supplements must be a minimum of one month and should not exceed one year.
• This supplement does not affect the employee's base pay and therefore is not included in the performance increase.
• Pay supplements are factored into the calculation of overtime pay and must continue to be paid when an employee goes on leave.

**Bonuses**
Bonuses are used to recognize and reward staff members for extraordinary efforts, to retain critical talent and to recruit staff.

• Bonuses are one-time awards that do not affect an individual's base salary.
• Bonuses should be significant enough to make a meaningful impact and, in most cases, should not exceed 10% of an employee's annual salary.
• The dollar amount should relate to the impact, complexity, magnitude, and time commitment of the performance or project.

**Definitions**

**External Equity:** External equity is the term used to describe comparative salaries paid in the marketplace where Brown competes to hire and retain similar types of employees. Compensation Services participates in salary surveys in various labor markets to determine competitive pay practices. Brown recruits in various markets to fill positions, depending upon the requirements and level of the position. They are usually as follows:

• Department head level positions and above: national markets
• Professional and administrative positions below department head level: regional markets
• Support staff and entry level exempt positions: local markets

**Internal Equity:** Internal equity is the term used to describe the comparison of salaries paid to employees working in the same grade, or level, within the University (both within the department and University-wide).

**Salary Grade:** Salary Grade is the term used to describe a system used to group jobs together that have approximately the same relative internal worth and are paid at the same rate or rate range. The process of assigning a job to an appropriate pay grade involves job information, job evaluation, and market considerations.
Regular Employee: Regular employee is an Employee Type used to identify those employees that do not have a Position End Date. Employees in the Employee Type Regular are eligible for benefits. Fixed Term Employee: A Fixed Term Employee is an Employee Type used to identify those employees that are hired for a certain period of time and have a Position End Date. Employees in the Employee Type of Fixed Term are eligible for benefits.

Seasonal/Intermittent Employee: Seasonal/Intermittent Employees are an Employee Type used to identify those employees who are hired to work a fixed schedule of hours each week for less than 6 months. Employees in the Employee Type of Seasonal/Intermittent are not eligible for benefits, except voluntary retirement.

Responsibilities
Compensation & Organizational Services: Responsibilities include:

- Administering the annual Staff Salary Increase Process.
- Reviewing and approving all equity pay increases and bonuses.
- Reviewing and approving all pay supplements.
- Approving all performance increases.

Employee: Responsibilities include:

- Completing an annual Self-Appraisal Form and Goal Setting and Review Form

Supervisors: Responsibilities include:

- Completing an annual performance appraisal for each of their employees.
- Reviewing their employees pay and making recommendations for merit and equity pay increases, and bonuses.
- Identifying and recommending to Compensation & Organizational Services those employees who should receive pay supplements.

Related Policies
Exempt and Nonexempt Employee Pay
Related Information
Family Medical Leave Act
Americans With Disability Act
Policy Owner
Approved by Vice President for Human Resources

Contact(s)
Compensation Services team is located in the Brown Office Building and can be reached at Compensation_office@brown.edu, or by contacting one of the following team members:

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