



MIAMI
U N I V E R S I T Y

DEPARTMENT OF HUMAN RESOURCES

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Date: February 25, 2011

To: Classified employees

From: Kate Stoss
Director, Compensation, Employment and Technology

Re: Changes to the SATSS and AFSCME pay plan

The Classified Staff Pay Plan Advisory Committee was convened in November to review the current pay plan and make recommendations to the structure to ensure that the plan was aligned with the market. The charge of the committee was to address the following issues:

- Make recommendations to the pay zone minimums based upon market data, and develop an implementation strategy that will not exacerbate pay compression as new minimums are implemented.
- Re-establish pay maximums that are competitive, and develop a proposal about how to reward those at or above the pay maximums.
- Review job enrichment payments so that increases are equitable. Develop a proposal that preserves salary progression achieved through job enrichment as a result of pay minimum increases or pay maximums.
- Review the annual increment process to determine how the University can distribute raises in an equitable fashion that alleviates compression issues.

A number of key issues were identified. At the time of review, there were 228 employees making less than \$10.00 per hour. In addition, there were numerous cases where employees with up to 14 years of service were barely above the minimum, even after participating in job enrichment. On the other end of the scale, there were employees earning nearly twice the salary of those in the same pay zone. When annual increases were distributed as a percentage of pay, this disparity continued to grow.

Listed below are the recommendations from the pay committee. In a few cases, the committee's recommendations were slightly modified, but the concepts were left intact. Any modifications are noted.

ZONE MINIMUMS

Increase the zone minimums ranging from 6.0% to 11.7%. Implement the increases gradually and only in years where the University provides a general pay increase. When the zone minimums are increased, the amount of the increase should be less than the general increase as a means of alleviating compression. The committee recommended that the zones be increased 25% to 50% of the annual increase. This would not enable the University to meet the suggested minimums even after three years. Instead, the zone minimums will be increased 60% of the annual increase. For example, if the annual increase is \$.50 per hour, the zone minimums would increase \$.30.

ZONE	CURRENT MINIMUM	NEW MINIMUM	% INCREASE
E1	\$9.30	\$9.90	6.45%
E2	\$10.05	\$10.90	8.45%
F1	\$11.05	\$11.80	6.78%
F2	\$11.75	\$12.70	8.08%
G1	\$12.40	\$13.85	11.69%
G2	\$14.15	\$15.00	6.00%
H1	\$14.80	\$15.80	6.75%
H2	\$15.40	\$16.45	6.81%

ZONE MAXIMUMS

Pay maximums will be introduced. The committee recommended setting maximums at 20% above the median of the market to ensure that the top-end of the ranges are competitive. In addition, the committee established range spreads (difference between the minimum and maximum) for each zone that would permit significant salary growth so that employees would not reach the max in too short a timeframe. Typically, range spreads for non-exempt jobs are 20% to 40%. Employees who are at or over the new maximums will not be eligible for a base pay increase. Instead, those employees will receive a bonus payment that is equivalent to 60% of what their raise would have been.

ZONE	MAXIMUM	RANGE SPREAD
E1	\$13.90	40.4%
E2	\$16.70	66.1%
F1	\$17.80	61.0%
F2	\$19.05	62.1%
G1	\$20.70	66.9%
G2	\$22.75	60.7%
H1	\$23.70	60.1%
H2	\$29.50	91.5%

JOB ENRICHMENT

The committee recommended that employees should preserve their job enrichment salary progression when they take promotions to higher pay zones or when the zone minimums are increased. In addition, job enrichment earnings should not count towards the pay zone maximums. Since employees must put equal effort into the job enrichment program, the amounts received for promotions-in-place should be fixed dollar amounts versus a percentage of pay. In order to accomplish these goals, the increases earned through job enrichment will be split out from the base salary and treated as premium pay. An employee will still receive the base plus job enrichment for all hours paid, but the two pay amounts will be listed as separate items.

Going forward, employees who earn a promotion in place would receive a set amount and not a percentage increase. In addition, each employee who has already received promotions-in-place would have the same set amounts apportioned from his/her current base pay. The committee recommended the following award levels:

LEVEL	AMOUNT
Promotion-in-Place 1	\$0.50/hour
Promotion-in-Place 2	\$0.60/hour (total \$1.10)
Promotion-in-Place 3	\$0.70/hour (total \$1.80)
Advanced Component	\$0.15/hour (total \$1.95+) each additional advanced component would be an additional \$0.15 per hour.

For example, if an Administrative Assistant, G2 currently earns \$15.00 and has received two promotions-in-place, her base salary would be \$13.90 and her job enrichment premium \$1.10. Because her new base would fall below the minimum, the employee's base would be increased to \$14.15. The Administrative Assistant would receive a total of \$15.25 per hour - \$14.15 base and \$1.10 job enrichment premium. An Administrative Assistant, G2 who currently earns \$18.00 and has received three promotions-in-place and two Advanced Components, would have a base of \$15.90 and a job enrichment premium of \$2.10.

ANNUAL INCREASES

Currently, the University provides annual increases as a percentage of pay. This method results in those at the top end of the pay scales receiving significantly higher increases than those at the bottom. Consequently, the salaries of lower paid employees do not increase at a pace to bring them up to market in a reasonable amount of time.

The committee recommended that the University return to hourly across-the-board increases in lieu of percentage based increases. The pay increases should be determined per pay zone and based upon the average pay increase within that zone and budget allocation. For example, if the University determines that the salary budget should increase by 3%, the University will

calculate what the average 3% increase per zone will be and convert that to an hourly amount. The calculation will be based upon the average base salary. This method will ensure that employees receive an equal increase and the University will stay in-line with its budget.

CONCLUSION

The University has accepted the committee's proposals and will move forward with the implementation. These changes will become effective with the first pay period in the 2012 fiscal year, which begins June 26, 2011.