1. **Policy Purpose Statement**

Kennesaw State University (KSU) is committed to maintaining salary levels that comply with all applicable laws and regulations, and are internally equitable. All employees will be compensated fairly regardless of race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status, or marital status.

2. **Background**

The Kennesaw State University Compensation Policy is created to comply with the Federal and State laws, and University System of Georgia (USG) policies regarding compensation.

3. **Scope (Who is Affected)**

All regular and temporary staff, and student employees.

4. **Exclusions or Exceptions**

While some terms, definitions, and policies are common to all KSU employment categories, including faculty, this policy does not apply to faculty employment and compensation.

5. **Definitions and Acronyms**

   A. **Fair Labor Standards Act (FLSA)** establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers.
      - **Non-Exempt** employees are those who are subject to the minimum wage and overtime pay provisions of the FLSA.
      - **Exempt** employees are those who are not subject to FLSA minimum wage and overtime provisions.

   B. **Pay Ranges**
      - **Base pay** is the fixed compensation an employee receives at regular intervals.
      - **Minimum pay** is the lowest point in the pay range indicating the lowest anyone in that job function can be paid for the same job.
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- **Maximum pay** is the highest point in the pay range indicating the highest anyone in that job function can be paid for the same job.
- **Mid-point** is the exact middle of a pay range.

**C. Pay Changes**
- **Merit increases** are performance based raises.
- **Market adjustments** are increases to employee pay based on market movement.
- **Reclassifications** result when significant portions of an employee’s job duties change permanently.

**D. Employee Changes**
- **Reorganization** involves a change in the operational structure of a department and the associated changes in the reporting lines of the positions within the department.
- **Promotion** is when an employee moves to another job in a higher career level and/or grade, which may or may not result in a change of pay.
- **Lateral transfer** occurs when an employee moves to another job in the same career level and/or grade, which may or may not result in a change in pay.
- **Demotion** occurs when an employee moves to a job in a lower career level and/or grade, which may or may not result in pay grade change.

**E. The B-Cat system** is based on general job categories that are linked to the Federal Integrated Postsecondary Education and Data System (IPEDS) job classifications.

**6. Policy**

Human Resources is responsible for creation, administration and maintenance of wage and salary grades. Human Resources will review wage and salary structures and related pay grade ranges once per year. All salaries are subject to budgetary authorization and funding limitations as per the USG Wage and Salary Administration Policy. Adjustments to the structure are effective upon presidential approval.

**Initial Appointments**
Human Resources will use relevant experience, skill sets of the candidate relative to the job, and internal equity with employees holding similar jobs to develop an appropriate offer. The department must either have the money already in the budget or have it transferred to the budget. Offers must not be extended prior to review and approval by HR.

**Annual Merit Increases**
- Each year, the Office of Fiscal Affairs issues a salary administration statement that provides guidelines for awarding salary increases for that fiscal year.
- Merit increases are normally authorized at the beginning of a fiscal year and are subject to salary limitations and guidelines established each fiscal year.
- Annual salary increases are merit-based, reflecting each employee’s performance as evaluated by the employee’s supervisor.
- Merit increases will generally be distributed on a percentage basis around the average percentage increase as provided for by state appropriations.

**Promotional Increases/Reclassifications**
When an employee is promoted or reclassified to a higher paygrade, the employee will normally be awarded a promotional increase. The actual increase decision should consider relevant factors
such as internal pay equity and the individual's qualifications and experience for the position. Promotional increases are subject to the availability of funds. An employee who receives a promotion (either by taking on a new job or by reclassifying the employee's current job to a higher salary grade) should receive a salary increase to at least the new pay range minimum when the promotion becomes effective.

All promotional increases will require justification, and review and approval by HR. No promotional increases should be communicated until ALL approvals have been received.

Lateral Transfer
A lateral transfer is when an employee moves to another position in the same pay range. Lateral transfers generally result in no change to employee pay. Any requested increases in pay for Lateral Transfers must be reviewed and approved by Human Resources.

Demotion
When an employee moves to a position in a lower pay band, it may or may not result in a change in pay. With a demotion, the employee generally receives a pay decrease. The new rate is no more than the new job grade maximum hire rate and should be equitable with other employees in the same job/similar jobs. Human Resources must review and approve of all demotions.

Temporary Additional Pay
Temporary additional pay may be approved in 60-day increments. Additional pay will not be added to the base pay amount, but will be paid as a separate pay line on the employee's paycheck. After the initial 60-day period, the temporary pay will have to be justified by the manager and reapproved by HR. Temporary additional pay assignments require Budget and HR approval prior to beginning the new work. The additional pay will begin only after all approvals have been obtained. Retroactive payments will not occur.

a. Interim Pay - An 'interim' title is used if an employee resigns and a replacement is sought or if an administrator is absent for a longer period (usually exceeding three months). The 'interim' person has both the authority and responsibility of the office.

b. Acting Duties - An 'acting' title is used if an employee is absent or reassigned for a short period of time (usually three months or less). The absent administrator retains the responsibility of that administrator's position but delegates the authority to the 'acting' person.

c. Temporary Assignment - Duties assigned on a short-term basis for a specific purpose.

Advanced Increase Request
Cumulative fiscal year adjustments greater than or equal to ten percent above the percentage increase authorized in the USG's annual salary and wage guidance require advanced approval by the Chancellor, unless such a salary increase:

- Results in a salary below $100,000;
- Is a promotional increase at or below the mid-point of the salary grade for the new job classification; or
- Is for a faculty member moving into an administrative role, in which the salary will convert from a nine-month salary to 12-month salary, consistent with KSU formulas for faculty administrative appointment salary rate conversions.
7. Associated Policy(ies)/Regulations

a. https://www.usg.edu/hr/manual/position_classification
b. https://www.usg.edu/hr/classification/
c. https://www.usg.edu/assets/hr/documents/USGSOCBCATCrosswalk.pdf
d. http://www.usg.edu/hr/manual/promotions/
e. http://www.usg.edu/hr/manual/wage_and_salary_administration_policy

8. Procedures associated with this policy

Procedure documents to be developed.

9. Forms associated with this policy

None.

10. Violations

Individuals in violation of this policy are subject to a range of sanctions, including but not limited to disciplinary action, dismissal from the University, and/or legal action.

11. Review Schedule

The Compensation Policy is reviewed annually by the chief human resources officer, the chief business officer, and the president.