

Title/Subject: **ADDITIONAL COMPENSATION**

Applies to: faculty staff students student employees visitors contractors

Effective Date of This Revision: April 2024

Contact for More Information: Human Resources

Board Policy Administrative Policy Procedure Guideline

BACKGROUND:

CMU is committed to providing a competitive total compensation package that attracts, retains and motivates a high-quality and diverse workforce.

PURPOSE:

This policy allows supervisors the flexibility to request additional compensation for employees as described below:

Higher Classification Pay is used to compensate employees who temporarily assume the majority of responsibilities of a position at a higher classification/level associated with a vacancy or an extended absence.

In-Grade Adjustments may be used to adjust a staff member's salary/wage to address market issues, recognize a permanent increase in responsibility or for other business reason, CMU determines to be valid.

Supplemental Assignment Pay may be used to recognize employees who are temporarily assigned additional duties above and beyond their primary job (see separate policy regarding Supplemental Assignments: https://www.cmich.edu/docs/default-source/president's-division/general-counsel/administrative-policy-docs/3/p03015.pdf?sfvrsn=57fa2fa2_25).

Additional compensation may also be given as a recruitment bonus, retention incentive, severance payment, commission payment, recognition payment for exemplary service, or for other business reasons which CMU determines to be valid.

DEFINITIONS:

Division Head: Any Senior Officer who has responsibility for a division of the university and reports directly to the President.

Senior Management: Senior Officers and Executive Directors/Directors who report directly to a Division Head or the President.

POLICY:

Human Resources and Senior Management share the responsibility of ensuring that the University adheres to equitable pay practices. Appropriate care must be taken to ensure that salaries/wages are not discriminatory. Therefore, the following policies apply:

Authority: Robert O. Davies, President

History: 11-27-06; 04-2012

Indexed as: Bonus; Compensation, Higher Classification Pay; In-Grade Adjustments; Retention Incentive; Severance Payment; Supplemental Assignment Pay

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- Supervisors must not communicate any additional compensation to the employee until an analysis has been conducted by HR and the final HR recommendation has been approved by the Senior Manager and Division Head.
- HR must conduct an analysis of the additional compensation request and the impact on other employees within the department and the extent possible, within the division and across the university. This is required to ensure the additional compensation is determined in accordance with applicable laws, employee contracts, handbooks, university policies.
- Before HR will analyze the additional compensation request, the Senior Manager and Division Head must first determine whether to support advancing the request for additional compensation to HR or analysis, unless the additional compensation is required under the terms and conditions outlined in a collective bargaining agreement.
- Base salary adjustments cannot result in an employee's salary exceeding the maximum of the pay range; however, additional compensation may be given as a lump sum payment to employees whose salary/wages are at or over the maximum.
- Additional compensation not added to base will not be included as part of the employee's salary/wage when calculating any annual adjustment.
- Retirement contributions on additional compensation are determined according to the retirement plan in which the employee participates.
- Funding for additional compensation must be identified from within the department or division budget; there is no central funding source.
- No incentive compensation will be paid on securing enrollment or awarding Title IV funds to any persons in admission/recruiting, financial aid, or registrar offices (or the equivalent).
- The President must approve any additional compensation for Senior Officers.
- The Division Head must approve any additional compensation given to recognize exemplary service.
- If there is a disagreement between Senior Management and HR regarding the additional compensation, the parties will work with the appropriate Division Head. If the matter is not resolved with the appropriate Division Head, the Vice President of Finance and Administrative Services will have the authority to resolve the matter.

PROCEDURE:

1. Supervisors may request additional compensation for an employee by submitting a request through the personnel transaction system to the Senior Manager, indicating the employee's name, the amount of additional compensation requested, the effective date, and the justification for the additional compensation.
2. If the Senior Manager supports the supervisor's request, the request must be electronically forwarded to the Division Head to determine whether there is support to proceed prior to HR conducting an analysis and determining the impact on others within the department and the extent possible, within the division and across the university. When appropriate and available, market data will be included as part of the analysis.
3. HR will communicate the final outcome of the analysis with the Senior Manager.
4. If the Senior Manager supports HR's recommendation, HR will obtain final approval from the Division Head, prior to processing any additional compensation.
5. Once all approvals are received, the supervisor may inform the employee of the additional compensation.

Central Michigan University reserves the right to make exceptions to modify or eliminate this policy. This document supersedes all previous policies, procedures and directives relative to its subject. Please refer questions or concerns to the originating department.