

Title/Subject: **ADDITIONAL COMPENSATION**

Applies to:  faculty  staff  students  student employees  visitors  contractors

Effective Date of This Revision: April, 2012

Contact for More Information: Human Resources

Board Policy  Administrative Policy  Procedure  Guideline

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**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 associated with a vacancy or an extended absence at a higher classification/level.

**In-grade Adjustments** may be made to a staff member's salary/wage to address market issues, recognize a permanent increase in responsibility or for other business reasons, which CMU determines to be valid.

**Supplemental Assignment Pay** is given to recognize employees who may temporarily be appointed or assigned additional duties above and beyond their primary job (see separate policy at [https://www.cmich.edu/office\\_president/general\\_counsel/Documents/p03015.pdf](https://www.cmich.edu/office_president/general_counsel/Documents/p03015.pdf)).

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

**DEFINITIONS:**

Senior Management: Senior Officers and Directors who report directly to a Vice President or the President.

**POLICY:**

Human Resource and Senior Management share the responsibility of ensuring that the University adheres to equitable pay practices. Appropriate care must be taken to insure that salaries/wages are not discriminatory.

Additional compensation must be in accordance with applicable law, employee contracts/handbooks, and university policies; therefore, an analysis of how the request for additional compensation impacts others within the department and to the extent possible, within the division and across the university must be conducted by Human Resources (HR).

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Authority: George Ross, President

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

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**After an analysis is conducted by Human Resources, the following approvals are required:**

- Senior Management must approve additional compensation up to 8% of the employee's base salary.
- Vice President/President must approve:
  - additional compensation greater than 8% of the employee's base salary; and/or
  - additional compensation given within the first year of employment; and/or
  - additional compensation to recognize exemplary service.
- President must approve additional compensation for Senior Officers.

Base salary adjustments cannot result in an employee's salary exceeding the maximum of the pay range, but 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 salary/wages when calculating annual adjustments.

Retirement contributions on additional compensation are determined according to the Retirement Plan in which the employee participates.

The funding for additional compensation comes from the department's budget; there is no central funding source.

If there is a disagreement between Senior Management and HR regarding the additional compensation, the parties will work with the appropriate Vice President. If the matter is not resolved with the appropriate Vice President, the Vice President/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 to the Senior Manager indicating the employee's name, the amount of the additional compensation, the effective date and the justification for the adjustment.
2. If the Senior Manager supports the supervisor's request, the request must be forwarded to HR in order to analyze how the additional compensation will impact others within the department and to 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 required, HR will obtain approval beyond the Senior Manager prior to processing any additional compensation.

**Supervisors should not communicate any additional compensation to the employee until an analysis has been conducted by Human Resources and the final recommendation has been approved.**

*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.*