

Staff Compensation Guidelines: Annual Pay Increase/Review Process

Effective dates

Dates entered in Kuali Budget Construction (KBC) will be uploaded into Workday. The effective compensation plan start and end dates for regular fiscal year pay increases for continuing employees are as follows, by pay cycle:

- Biweekly – June 18, 2015 to June 29, 2016
- Monthly – July 1, 2015 to June 30, 2016

End dates for fixed-term staff should reflect the end of their fixed term appointment. In cases where cost allocations will not change throughout the year, those same start and end dates should be used.

Additional dates to keep in mind

June 15. Senior Business Officers (SBOs) will have access to review the KBC data load in the Workday Sandbox environment. These transactions will be pushed through in the Workday Sandbox environment without approvals so SBOs can see the proposed final product before data is loaded into the Workday production environment.

June 18. Data entered in KBC will be loaded to the Workday production environment. This will follow the established business process approval routing (as described below under “Approval requirements.”)

June 26. Deadline to approve transactions.

Roles and responsibilities

The **SBO** or designee must enter all proposed FY2015-16 salaries and wages into KBC **no later than May 22** (or earlier deadline as determined by the department comptroller). If a department does not use KBC or fails to enter information into KBC by this deadline, the department must enter salaries or wages directly into Workday.

Departments may call the HR Service Center for help with mass salary and wage rate changes.

KBC and Workday teams perform validation and preliminary audit reviews to ensure data entered into KBC uploaded correctly into Workday. They do not evaluate appropriateness of the increases, but ensure the process is properly completed.

Once the data is in Workday with appropriate reason codes (as entered in KBC), our **Workday HR Information Systems (HRIS) team** conducts additional validation and audit reviews.

Workday populates compensation and cost allocation fields, which triggers a business process specifically designed for annual compensation increases entered via KBC.

Reasons for increases

Each increase transaction requires one compensation increase reason. If any component of the increase is justified by a market adjustment, then the reason selected must be “market adjustment.”

Considerations for a market adjustment include: first, the broader salary range in the external and/or internal market for similar positions; and second, the employee’s performance, qualifications and expertise relative to the market. An untested or poor performer may appropriately fall below the 25th percentile; a novice/moderate performer between 25th-50th percentile; an experienced/good/great performer who may possess additional work experience, education, skills and knowledge at 50th; a highly-skilled/phenomenal/stellar performer whose particular work experience, education, skills and knowledge exceed position requirements and typical expectations between 50th-75th.

Approval requirements

The approvals for staff compensation changes uploaded into Workday from KBC must be completed in Workday **between June 15 and June 26, 2015** to ensure increases are reflected in the first paychecks of the new fiscal year. All increases require approval by the manager before taking effect. All approvals are completed in Workday. As approval is not guaranteed, departments may not notify staff of a proposed increase prior to the approval being completed in Workday.

Market adjustments, merit increases exceeding 5% and bonuses require supporting documentation. Managers must upload justifications for market adjustments in Workday “worker docs” under “Department Authorization, Justification and/or Supporting Documents.” Documents should have clear titles (e.g., “Market Adjustment Proposal FY2015-16”) so approvers can identify which documents to reference. Managers or HR Partners may upload this documentation at any time – and should do so prior to June 15 so they are readily available to approvers in Workday.

Market adjustments up to 5% will route to and require approval by the Compensation Partner in addition to the manager and manager’s manager approval.

Market adjustments in excess of 5% will route to and require approval by the Compensation Partner and will also route to and require approval by the Vice Provost for Academic Operations and Strategy (for staff in schools and academic units) or the Associate Senior Vice President, Human Resources (for staff in administrative units), in addition to approval by the manager and manager's manager.

If possible, please provide all proposed market adjustment rationale and any benchmarking references to your Compensation Partner before entering proposed rates in KBC. Compensation will coordinate a pre-approval process with the Vice Provost for Academic Operations and Strategy (prior to the KBC data entry) for increases in schools or academic departments. No pre-approval is required for administrative departments; the Associate Senior Vice President, Human Resources will review proposed rates within the Workday process.

Merit increases up to 5% will route to the manager and manager's manager in Workday for approval. If the department wishes to include supporting documentation, managers should upload supporting documents into "worker docs." Once the manager has approved the compensation change in Workday, the process is complete. Any adjustments or corrections must be made in Workday and will trigger the normal business process steps including routing to the manager and SBO for approval.

Merit increases exceeding 5% or bonuses of or exceeding \$1,000 will route to the Vice Provost for Academic Operations and Strategy or the Associate Senior Vice President, Human Resources. To ensure approval of requests in academic units, requests for pre-approval should be forwarded to the Vice Provost for Academic Operations and Strategy in advance of entering rates in KBC. In addition, these increases must be approved in Workday by the manager and manager's manager.

Bonuses must be entered in KBC as a pool and will not be automatically uploaded into Workday. HR Partners must enter those one-time payments directly into Workday along with rationale for the bonuses in the comment section. The business process in Workday will follow the required approval steps.

Bonuses less than \$1,000 require "one level up" mandatory review and recommendation, and school/division mandatory review and approval. Bonuses of \$1,000 or more require "one level up" mandatory review and recommendation, school/division mandatory review and recommendation, and final approval by the Vice Provost for Academic Operations and Strategy or the Associate Senior Vice President, Human Resources.

Student increases follow existing internal approval processes and must be entered directly in Workday with no additional business processes.

NOTE: If approvers cannot complete the above processes in Workday within the allotted window, **pay increases will not take effect**. If approvers will not be available from June 15-26

or are unable to complete the task during that period, **they must notify their HR Partner immediately** to delegate that task. If the task has already hit the manager's Workday Inbox, the manager or HR Partner should reach out to the HR Service Center to have the process reassigned.

HR Partners must regularly review "business process transactions of type awaiting actions" reports and request help from the HR Service Center to reassign tasks that are not completed in a timely manner. In order to maintain appropriate checks and balances, the task of confirming and approving pay should not be delegated to the individual who entered the rates in KBC.

SBOs and HR users will be able to use the "Merit Process Review – 2015" report to validate that the employees they support will be paid correctly.