

Salary Adjustments

Effective: January 14, 2011

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Introduction

Iowa State University recognizes the importance and contribution of its faculty and staff in pursuing, achieving and supporting the university's mission. Therefore, the university maintains a total compensation program directed toward attracting, retaining and rewarding a qualified, high-performing and diverse workforce.

Reason for Policy

This policy promotes a mutual understanding regarding the purpose of salaries, establishes rationale for annual salary adjustments, and guides consistency and accountability in compensation practices for employees covered by this policy.

Policy Statement

Salary adjustments for employees covered by this policy (i.e., faculty, professional and scientific staff, contract employees, and post docs) must be supported by written documentation and justification. All salary adjustments are subject to administrative review and approval as noted below.

There are several reasons for awarding a salary adjustment.

- **Performance.** Employees who consistently meet the standards of performance for their positions will receive a performance based, merit salary adjustment in accordance with the parameters established during annual budget development. The adjustment must be documented by a written performance evaluation and will be effective on July 1. Performance based salary adjustments proposed at other times must be justified by unique circumstances and require administrative review and approval by the respective senior vice president.
- **Market or equity.** Market (or market rate) is the rate of pay with which Iowa State University competes in fields or disciplines in local, regional or national markets. When necessary and appropriate, salary adjustments not related to performance, but intended to correct market or equity disparities may be proposed for individual employees or groups of employees. Institutional resources regarding market data are available and should be utilized. Consultation with University Human Resources regarding market and equity adjustments for P&S staff is part of the documentation process. All adjustments require the approval of the respective senior vice president.
- **Retention.** Adjustments may be requested under special circumstances and require the approval of the respective senior vice president.

Parameters

During the annual budget development process, parameters will be established to guide the administration of performance based salary adjustments. The process will include consultation with the Faculty Senate, consistent with the Faculty Handbook, and the P&S Council. The parameters will include:

- A minimum salary adjustment percentage to recognize satisfactory performance, and
- A threshold above which an individual salary increase must be reviewed and approved by the respective senior vice president.

Additional guidelines may be established during annual budget development as deemed necessary by the circumstances.

Funding

The salary adjustment policy is applicable for all fund sources. All individual salary adjustments are subject to available funding.

Definitions

- **Performance based, merit salary adjustment.** An adjustment made in recognition of work performance that meets or consistently exceeds performance standards documented through an established evaluation process.
- **Market based salary adjustment.** A salary adjustment to correct an external pay rate disparity related to the job being performed (not related to performance) using Iowa State University recognized market data.
- **Equity based salary adjustment.** A salary adjustment to correct an internal pay disparity related to the job being performed; not related to performance.

Exceptions

Exceptions to this policy may be granted with the approval of the respective senior vice president.

Not covered by this policy

This policy does not cover all aspects of compensation administration and other types of salary adjustments. Resources regarding other aspects of compensation administration for faculty, P&S staff, contract employees and post docs, and salary adjustments for other employee groups can be found below.

Resources

Links

- [University Planning: Annual Operating Budgets](#)
- [Salary Adjustment FAQ, Forms and Additional Information](#)

- 69 • [Talking Points for Supervisors of Faculty Members - Salary Adjustments \[PDF\]](#)
- 70 • [Salary Policies and Procedures \(Faculty Handbook 4.1\)](#)
- 71 • [Annual Reviews \(Faculty Handbook 5.1.1.2\)](#)
- 72 • [Faculty Incentive Salary Increase Policy \(FISIP\)](#)
- 73 • [Talking Points for Supervisors of Professional and Scientific Staff - Salary Adjustments \[PDF\]](#)
- 74 • [Professional and Scientific Exceptional Performance Pay Program](#)
- 75 • [Performance Management Policy - Professional and Scientific](#)
- 76 • [Reclassification Policy – Professional and Scientific](#)
- 77 • [Salary Increases Policy - Professional and Scientific](#)
- 78 • [Form - Professional and Scientific Performance Appraisal Confirmation \[PDF\]](#)
- 79 • [AFSCME Contract \(Collective Bargaining Agreement\)](#)
- 80 • [Merit System Rules, Board of Regents, State of Iowa](#)
- 81 • [Merit Increase - Faculty \(Faculty Handbook 4.1.1\)](#)
- 82 • [Graduate College Handbook](#)