

# 1 Compensation Administration

2 Effective: July 1, 2019

3 Contact: University Human Resources (UHR) Classification and Compensation

## 4 Introduction

5 Iowa State University recognizes the importance and contribution of its faculty and staff in pursuing,  
6 achieving and supporting the university's mission. Therefore, the university maintains a compensation  
7 program directed toward attracting, retaining and rewarding a qualified, high-performing and diverse  
8 workforce.  
9

## 10 Reason for Policy

11 This policy promotes a mutual understanding regarding the purpose of salaries, establishes rationale for  
12 annual salary adjustments, and guides consistency and accountability in compensation practices for  
13 employees covered by this policy.  
14

## 15 Policy Statement

16 Adjustments to salary for employees covered by this policy (i.e., faculty, professional and scientific staff,  
17 contract employees, and post docs) must be supported by written justification. All salary adjustments  
18 are subject to administrative review and approval as noted below.  
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20 There are several reasons for awarding a salary adjustment.

- 21 • **Performance.** Employees who consistently meet the standards of performance for their  
22 positions will receive a performance based, meritorious salary adjustment in accordance with  
23 the parameters established during the annual review process. The adjustment must be  
24 documented by a written performance evaluation and will be effective annually as stipulated in  
25 the annual meritorious increase process. Performance based salary adjustments may not be  
26 proposed outside of the annual review process.  
27
- 28 • **Market or equity.** Market (or market rate) is the rate of pay with which Iowa State University  
29 competes in fields or disciplines in local, regional or national markets. When necessary and  
30 appropriate, salary adjustments not related to performance, but intended to correct market or  
31 equity disparities may be proposed for individual employees or groups of employees.  
32 Institutional resources regarding market data are available and should be utilized. Consultation  
33 with University Human Resources Classification and Compensation regarding market and equity  
34 adjustments for P&S staff is part of the documentation process. Salary adjustments for faculty  
35 require the approval of the Senior Vice President and Provost. Salary adjustments for P&S staff  
36 require approval from University Human Resources Classification and Compensation.  
37
- 38 • **Retention.** Adjustments may be requested under special circumstances and require the  
39 approval of the Senior Vice President and Provost or University Human Resources Classification  
40 and Compensation for faculty or P&S staff, respectively.  
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## 42 Parameters

43 Once a year, parameters will be established and disseminated to guide the administration of the  
44 meritorious increase process. The process will include consultation with the Faculty Senate, consistent  
45 with the Faculty Handbook, and the P&S Council. The parameters will include:  
46

- 47       • A minimum salary adjustment percentage to recognize satisfactory performance, and  
48       • A threshold above which an individual salary increase will require additional approval. .  
49 Additional guidelines may be established during annual meritorious increase process as deemed  
50 necessary by the circumstances.

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## 52 **Funding**

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

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## 56 **Definitions**

- 57       • **Performance based, meritorious salary adjustment.** An adjustment made in recognition of  
58 work performance that meets or consistently exceeds performance standards documented  
59 through an established evaluation process.
- 60       • **Market based salary adjustment.** A salary adjustment to correct an external pay rate disparity  
61 related to the job being performed (not related to performance) using Iowa State University  
62 recognized market data.
- 63       • **Equity based salary adjustment.** A salary adjustment to correct an internal pay disparity related  
64 to the job being performed; not related to performance.
- 65       • **Retention.** A salary adjustment considered when attraction and/or retention issues for a job are  
66 substantial, and any additional unfilled positions present a substantial adverse impact to critical  
67 business operations or to a major project.

## 68 **Exceptions**

69 Exceptions to this policy may be granted with the approval of the senior vice president and provost or  
70 vice president of human resources, as applicable.

71

## 72 **Not covered by this policy**

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

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## 78 **Resources**

### 79 **Links**

- 80       • [University Planning: Annual Operating Budgets](#)  
81       • [Job Classification/Employee Reclassification](#)  
82       • [Salary Policies and Procedures \(Faculty Handbook 4.1\)](#)  
83       • [Annual Reviews \(Faculty Handbook 5.1.1.2\)](#)  
84       • [Faculty Incentive Salary Increase Policy \(FISIP\)](#)  
85       • [Performance Management Policy - Professional and Scientific](#)  
86       • [Merit System Rules, Board of Regents, State of Iowa](#)  
87       • [Merit Increase - Faculty \(Faculty Handbook 4.1.1\)](#)  
88       • [Graduate College Handbook](#)