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# TENNESSEE TECHNOLOGICAL UNIVERSITY

COMPENSATION PLAN

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## **Compensation Philosophy & Objectives**

The Compensation Plan is intended to:

- Support the mission of Tennessee Technology University (TTU) in providing leadership and outstanding programs that benefit the people of Tennessee
- Attract, motivate and retain a well-qualified workforce
- Offer competitive compensation within relevant labor markets
- Recognize and reward individual initiative and achievements
- Ensure compliance with applicable laws and regulations

## **Compensation Plan**

TTU administers a compensation plan that attracts, motivates, and retains a well-qualified workforce. The plans are designed to balance internal equity and market competitiveness. Comparable jobs will be compensated within similar pay ranges/grades based on a review of each job and relevant market data. Individuals with similar backgrounds in experience, skills, and education will be hired at comparable rates for the same or similar job classifications.

Human Resources is responsible for completing relevant compensation data analysis for use in the development of compensation strategies that support TTU's objectives while staying within established budgetary constraints and compliance with all applicable laws and regulations. The daily operation of the compensation plan is the responsibility of the Associate Vice President for Human Resources.

TTU's compensation plan is continuously evaluated and revised as needed to ensure that TTU's mission is being met.

## **Background**

In 2010 and 2011, TTU worked with The Centre Group to complete a study of TTU's compensation and classification system. The scope of the work included a review of the compensation system covering Clerical and Support, Administrative/Professional, and Executive positions. As a result of the study, new job families and pay grades were established for the Clerical and Support positions, and new pay grades were established for the Administrative/Professional and Executive positions. Once the new pay grades were developed, a target level of pay was calculated for each employee based on the time in the job and the pay range to which the job was assigned. A pay-to-market gap was calculated representing the difference between the employee's current pay and the target pay level. As TTU's goal was to pay at market, not above, those employees whose pay was at or above market (midpoint) were considered to be at or above target level. Following TBR approval of TTU's compensation plan at the September 2011 board meeting, TTU implemented the results of the compensation study for non-faculty employees with an effective date of October 1, 2011.

Between 2011 – 2016, TTU submitted minor changes to the compensation plan. In 2016, TTU conducted an overall internal assessment of the compensation plan and determined a need for merit based pay. The revised compensation plan included merit based pay and was presented and approved by TBR at the June 2016 Board Meeting.

## **Coverage**

The TTU employee compensation plan includes:

- Non-exempt employees (regular positions involved in clerical, technical, paraprofessional, skilled crafts and service, and maintenance work); and,
- Exempt employees (regular administrative, managerial, and professional non-faculty positions).

These plans exclude faculty, the President, academic department chairpersons, coaches, and other positions exempted upon implementation.

Both the administrative/professional plan for exempt employees and the clerical/support plan for non-exempt employees are based on a market pricing approach - review and systematic evaluation of the relevant jobs and comparison of salaries with surveyed market data.

## **Compensation Guidelines**

All compensation decisions will follow [Tennessee Tech Policy 644 Compensation](#).

### **New Hires**

The starting compensation for all new employees regardless of classification will generally fall between the range minimum and range midpoint contingent on 1) prior relevant experience; 2) education/training in excess of position's qualifications; and 3) market conditions.

For each year of relevant experience in excess of the position's requirements, a new employee will receive 0.5 years of credit, up to a maximum of three (3) years of credit.

For a degree above what is required for the position, a new employee will receive one (1) additional year of credit. Therefore, relevant experience and degrees in excess of stated requirements will support a higher starting salary.

Based on the degree and experience, Human Resources will provide recommendations on starting salary decisions. See Table 1 for an example of a new hire salary calculation.

For positions that have proven unusually hard to fill, the hiring department should communicate with Human Resources to discuss possible strategies.

No new employee will start employment below the minimum of the salary range.

**Table 1.**

Salary Calculation Sheet		
Item	Data	Explanation
Position Title	Manager	
Position Number	123654	
Grade	45	
Grade Minimum	\$47,476	
Grade Midpoint	\$59,481	
Required Exp (yrs)	3	3 yrs related experience
Attained Related Exp	9.00	
Additional Exp CREDIT	3.0	Administrative/Professional: 0.5 years credit per year, up to a maximum of 3 years credit
Required Training/Cert	BS	Bachelor's Degree
Additional Training	MS	Master's Degree
Additional Training CREDIT	1	Degrees, certifications, licenses above job requirements will receive 1 years credit
Total Years of CREDIT	4.0	
<b>Calculate Salary:</b>		
Grade Minimum	\$47,476	
Grade Midpoint	\$59,481	
Difference	\$12,005	
Total Years of CREDIT	4	
ADD to Minimum	\$9,604	TTL Yrs Credit=4.0 yrs/5ths of difference between Min and Mid
Subtotal	\$57,080	
Recommended Start Salary	<b>\$57,080</b>	
Apply Supply & Demand Premium		
Supply & Demand Premium	\$0	For exceptionally hard-to-fill roles, a premium of up to 10% of the midpoint may be added, with VP's approval, not to exceed midpoint
Starting Salary	<b>\$57,080</b>	

## Position Changes

*If an employee is promoted to a higher grade job*, the new hire guidelines are applied unless the calculated salary is less than their current salary. If the calculated salary is less than current salary, the employee will receive a 5% increase to their current salary. New time in grade is effective at promotion date.

*If an employee is transferred to a new position at the same grade as prior position*, the employee will receive the larger compensation amount of either their current salary or their salary calculated using the new hire guideline. This transfer is considered a lateral transfer and the time in grade date will be unchanged.

*If, after market analysis and appropriate justification, a job is reclassified to a higher grade*, the employee will receive an increase in compensation based on the application of the new hire guidelines. If the calculated salary is less than current salary, the employee will receive a 5% increase to their current salary. The time in grade date will be the date of the position reclassification.

*If an employee is demoted to a lower grade job*, the employee's compensation will be adjusted using the new hire guidelines, or adjusted to the same pay position-in-range in the new grade as was in the prior grade. The time in grade date will remain unchanged if the experience of the prior position is relevant to the new position.

*If an employee is appointed as interim*, the compensation is the minimum of the pay grade or a 5% increase to their current salary, whichever is more.

### **Position Reclassification**

TTU is committed to a consistent, competitive, and equitable position classification process based on the requirements of the position.

Pursuant to TTU Policy 659, position reclassifications must establish significant, permanent changes, which include:

- Substantial and permanent changes in job duties, job complexity, and/or knowledge and skills required that could result in a higher pay grade; or
- Increase in supervisory responsibility due to departmental changes; or
- Reclassification of a vacant position to a position with new, permanent responsibilities.

It is important to note that not all changes in a position should result in the position being reclassified. In cases where changes in job duties occur, but are not substantial enough to justify a higher pay grade through reclassification, the department supervisor should initiate an update of the existing Job Analysis Questionnaire (JAQ).

Position reclassifications that result in a compensation adjustment will follow the guidelines established in this plan.

### **Recognition for Degree Attainment**

An employee who receives a degree at a higher level than their current academic standing and who has been employed with TTU one (1) year or more at the time the degree is granted, will be eligible to receive a salary increase in the following amounts.

<b>Degree</b>	<b>Pay Increase</b>
<b>Bachelor's</b>	<b>\$1,000</b>
<b>Master's</b>	<b>\$1,500</b>
<b>Doctorate</b>	<b>\$2,500</b>

### **Merit Based Pay**

Subject to legislative appropriations, the availability of funds, approval by the Board of Trustees, and TTU administrator instructions, a merit bonus and/or salary increase based on documented work performance may be granted to eligible employees. Merit based pay should be understood to mean exceptional achievement of performance that is distinctly above and beyond the competent and professional fulfillment of regular duties. TTU has established a performance

evaluation process that incorporates an electronic evaluation system, a supervisor training program focused on performance rating and rating bias, and a review process by Human Resources and Affirmative Action to identify any adverse impact.

### **Incentive Compensation (Bonus) Plans**

The purpose of the incentive compensation (bonus) plan is to motivate and reward key employees for accomplishing individual performance goals established in accordance with the business targets of the College or Department. Incentive compensation (bonus) plans are subject to review and approval by the appropriate Vice President or Provost and the Associate Vice President for Human Resources. Incentive (bonus) awards must be approved by the Associate Vice President for Human Resources prior to payment.

### **Cost of Living Increases**

Subject to legislative appropriations, the availability of funds, approval by the Board of Trustees, and TTU administrator instructions, cost of living increases may be granted to eligible employees.

### **Indexing**

TTU will complete yearly reviews of indexing based on reliable, relevant market information. Any range adjustments will be consistent with the average salary increases as reported by CUPA-HR, annual salary surveys, and World at Work annual salary increase survey, minus 1.0%. The 1.0% is subtracted to reflect a historical trend showing that pay structure changes are typically 1.0% to 1.5% less than average actual pay increases. For example, if CUPA reports a 2.0% average pay increase and World at Work reports a 2.7% increase, the average, 2.35% less 1.0%, would yield 1.35% as a structure adjustment.

For review of the Current Salary Ranges see [Appendix A](#).

## Appendix A

### Executive Salary Ranges

Grade	Min	Mid	Max
EX20	48,112	62,543	76,975
EX21	52,919	68,792	84,676
EX22	58,207	75,679	93,141
EX23	64,038	83,245	102,452
EX24	70,433	91,563	112,693
EX25	77,476	100,728	123,968
EX26	85,230	110,791	136,362
EX27	93,747	121,878	149,999
EX28	103,121	134,063	165,006
EX29	113,435	147,470	181,496
EX30	124,783	162,215	199,647
EX31	137,261	178,434	219,617
EX32	150,982	196,282	241,573
EX33	166,082	215,907	265,733
EX34	182,697	237,497	292,307
EX35	201,581	261,250	321,536

Range Spread	60%
Midpoint Differential	10%



## Administrative Salary Ranges

Grade	Min	Mid	Max
<b>40</b>	29,260	36,575	43,890
<b>41</b>	32,249	40,316	48,373
<b>42</b>	35,540	44,433	53,316
<b>43</b>	39,177	48,969	58,760
<b>44</b>	43,179	53,974	64,769
<b>45</b>	47,476	59,481	71,384
<b>46</b>	52,449	65,563	78,678
<b>47</b>	57,809	72,262	86,714
<b>48</b>	63,714	79,639	95,576
<b>49</b>	70,224	87,780	105,336
<b>50</b>	77,403	96,746	116,100
<b>51</b>	85,303	106,632	127,960
<b>52</b>	94,019	117,531	141,033
<b>53</b>	103,622	129,528	155,444
<b>54</b>	114,208	142,768	171,317
<b>55</b>	125,881	157,356	188,821

<b>Range Spread</b>	<b>50%</b>
<b>Midpoint Differential</b>	<b>10%</b>

## Clerical & Support Salary Ranges

Grade	Min	Mid	Max
1	15,153	18,183	21,214
2	16,741	20,085	23,439
3	18,497	22,196	25,885
4	20,430	24,516	28,602
5	22,572	27,076	31,590
6	24,934	29,918	34,903
7	27,536	33,053	38,561
8	30,420	36,512	42,594
9	33,607	40,337	47,056
10	37,129	44,559	51,978
11	41,016	49,220	57,423
12	45,322	54,387	63,451
13	50,079	60,096	70,111

Range Spread	40%
Midpoint Differential	10%