I. POLICY SUMMARY

This policy describes compensation, hours of work, and related components for employees in Manager & Senior Professionals (MSP) and Professional & Support Staff (PSS) personnel groups.

II. DEFINITIONS (refer to UC Office of the President (UCOP) PPSM Policy 30).

III. POLICY STATEMENT

B. Salary
   B.1. Salary Ranges
      B.1.a. Establishing Ranges. In consultation with UCOP, local salary ranges for salary grades and jobs without salary grades are at least consistent with federal, state, and local minimum wage provisions in the communities where the campus/health system is located. Salary ranges for all positions are published in the Universitywide Title and Pay Plan and from Compensation Services.

      B.1.b. Adjustments. The Director of Total Compensation in consultation with the Associate Vice Chancellor (AVC)—Human Resources (HR) and with UCOP Compensation establish and adjust local salary ranges for non-represented titles in accordance with existing labor market practices.

      B.1.c. Individual Pay. An employee’s salary must be within the salary range to which it is assigned. Exceptions to this must be approved by the Director of Total Compensation for PSS Grades and the AVC—HR for MSP titles.

B.2. Systemwide Salary Programs
   B.2.a. General Increases. General salary programs are subject to approval from UCOP.

   B.2.b. Merit Increases. Merit increases are authorized by systemwide guidelines from UCOP. Local authority is granted to the Chancellor to determine implementation guidelines and eligibility criteria based on the systemwide guidelines. Merit increases for eligible employees are based on performance as it relates to current pay and assigned responsibilities. A written annual evaluation must be completed with a rating of “Meets Expectations” or greater to award a merit increase.

   The annual review period for merit consideration is May 1 through April 30. Local guidelines for eligibility and program specifications will be issued on an annual basis by the HR Department in accordance with parameters designated by UCOP.

B.3. Individual Salary Actions
   B.3.a. Salary Increases. Increases may be granted upon promotion, upward reclassification, lateral transfer, or to bring the employee’s salary to the minimum of the salary range.

   For increases related to recruitment actions, consultation with the assigned Recruiter is required. For increases related to classification actions, consultation with the assigned Compensation Analyst is
A salary increase for a lateral transfer will be given consideration in the following circumstances: lateral change from a non-exempt to an exempt position, added responsibility for staff supervision and resulting compression of salary between supervisor and subordinate, and transition from a PSS or MSP contract to career status.

**B.3.b. Salary Decreases.** In most circumstances an employee will receive a salary decrease upon demotion; however the employee’s current salary rate may be retained or “red circled” with approval from the Director of Total Compensation for PSS level positions and the AVC—HR for MSP level positions.

**B.3.c. Equity Increases.** An equity increase may be approved in accordance with the campus guidelines.

**B.4. Annual Limit. (25% limit).** An employee’s total salary increase in a single fiscal year cannot exceed 25% of base salary. This limit does not include increases approved on a systemwide basis by UCOP (i.e. merit programs). Exceptions to the 25% limit for PSS level positions must be reviewed and approved by the Director of Total Compensation. Exceptions for MSP level positions must be approved by the AVC—HR.

**B.6. Retroactive Salary Actions.** All retroactive salary adjustments are reviewed and approved by the Total Compensation Unit. Retroactive salary adjustments for PSS level positions may not exceed six months. Retroactive salary adjustments for MSP level positions may not exceed forty-five days.

**B.7. Perquisites.** Departments must consult with the Total Compensation Unit and obtain approval before adding a perquisite to an employee’s appointment. Perquisites are additional compensation for meal and/or housing provided to employees when they are required, as a condition of employment, to reside on the premises and for the convenience of the University in accordance with prevailing market practices.

**B.8. Additional Cash Compensation.** Additional cash compensation is provided for overtime (non-exempt employees only), payment for teaching UNEX classes, administrative stipends, dual employment, ancillary pay (shift differentials, on-call, call back, etc.) incentive and recognition programs (see PPSM 34), and UCOP approved retention plans.

**B.9. Administrative Stipends.** Approval for all stipends is required from the Total Compensation Unit. An administrative stipend may be provided only when an employee is temporarily assigned, for a period of at least 30 working days, to perform duties of a higher level position (out of class) or other significant duties that are not part of the employee’s regular position. Typical stipend amounts range from 2% to 15% and should not exceed twelve months. Extensions beyond twelve months must be approved by the Director of Total Compensation.

**B.10. Dual Employment.** On rare occasions, dual employment may be approved for an employee appointed to a staff appointment at 100 percent if certain conditions are met (see PPSM 30). Departments must consult with their Employee & Labor Relations Specialist to determine the appropriateness of the assignment prior to establishing a dual appointment. The Department must also consult with a Compensation Analyst regarding the classification that the additional work falls under to ensure it comports with UC policy allowing dual appointments only for PSS level non-represented positions.

**C. Hours of Work**

**C.1. Exempt Employees.** An exempt employee who has regularly worked more than his or her
appointed percent of time may be granted time off in recognition of the additional effort. A supervisor may grant such a request with no loss of pay or accrued leave.

C.2. Non-Exempt Employees
C.2.3. Alternate Work Schedules. An employee may request an alternate work schedule and are approved at management’s discretion. (See Exhibit A.)

D. Overtime and Over-Schedule (Non-Exempt Employees Only)
D.5. Compensatory Time Off
The default for non-represented employees is cash compensation for overtime worked. However, at the Department’s discretion, employees may be provided with the option to elect compensatory time off in lieu of cash compensation for working overtime hours. If an employee does elect to receive compensatory time off for overtime, management retains the right to determine whether overtime will be compensated by compensatory time off or pay. The PPSM Compensatory Time Notification Form is used to document the employee’s annual election.

E. Ancillary Pay. Questions regarding ancillary pay should be directed to a Compensation Analyst.