

# Staff Pay Administration Guidelines

2024

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# Introduction

The following Pay Administration Guidelines serve as a framework for managing compensation at Southern Methodist University. The compensation program has been designed to provide competitive, fair, and equitable compensation in order to attract, retain, and engage qualified employees. To this end, Southern Methodist University (“SMU” or the “University”) will:

- Provide pay opportunities that:
  - Are based on job responsibilities
  - Are competitive within the markets in which SMU competes for talent<sup>1</sup>
  - Promote internal equity with jobs that have similar duties and scope

# Roles and Responsibilities

To ensure that the program is administered in a consistent, impartial manner, the roles and responsibilities for key stakeholders involved in compensation decision-making are defined in the table below. In cases where Human Resources and managers do not agree on aspects of these guidelines, the appropriate Vice President will engage and make the final decision.

SMU Leadership (VP/Dean)	<ul style="list-style-type: none"><li>• Communicate openly, regularly, and clearly with SMU's employees on compensation-related matters</li><li>• Endorse compensation program design and implementation processes</li><li>• Establish and communicate institutional market strategy and goals to the community</li><li>• Set the standard for performance planning, coaching and feedback, and hold direct/indirect reports accountable for the same</li><li>• Review and endorse updates of the salary structure, as appropriate</li><li>• Within the constraints of limited resources and the prioritization process for the annual operating budget, provide the resources needed to maintain the compensation program</li><li>• Hold other leaders and managers accountable for adhering and upholding the principles of the compensation program and effective, consistent compensation management</li><li>• Approve relevant pay actions, where applicable, ensuring consistency of application not only within functional area, but across SMU</li></ul>
Human Resources	<ul style="list-style-type: none"><li>• Provide leaders and managers with the tools and resources needed to make pay recommendations for staff and faculty (market data, hiring ranges, federal/state policies, etc.)</li><li>• Collaborate with leaders and hiring managers to establish and maintain appropriate pay</li><li>• Des949wg/state po4nlyay(i)2.6 optifact 7 ( bu)10.5 (t)-6.6g.6 (o)1o (r)4.9 (o6.6 (a,)4.3 6 (</li></ul>



# FLSA Wage & Hour Guidelines

SMU administers its compensation program so that it is in compliance with all state and federal guidelines. One key federal law that governs pay is the Federal Labor Standards Act (FLSA). It is very important that those who manage employees and approve timesheet submissions to payroll be well-versed in this law.

This legislation places all employees into one of two designations, upon meeting specific criteria. In accordance with legal requirements, the classification of a job as exempt or non-exempt depends on the content of the job as outlined in the federal regulations. Criteria include type of job responsibilities, reporting relationships, and/or qualifications of the person. It does not depend on how the staff member (or manager/supervisor) wants to classify the job. The Department of Human Resources will make the final decision as to whether a job meets the regulatory criteria to be classified as exempt or non-exempt based on an analysis of the job as compared to federal regulations.

1. An exempt employee is one who passes all exemption tests under FLSA and is not required to be paid overtime pay.
2. A non-exempt employee is one who does not meet criteria for exemption under FLSA and is eligible to receive overtime pay (1½ times regular hourly rate for any time worked over 40 hours per week).

Federal and state laws require that employees in non-exempt jobs be paid for all the time they work. According to FLSA, SMU can be penalized for failure to pay for unauthorized time worked.



# Managing Individual Pay

The compensation program's pay grades are wide enough to accommodate a variety of experience, qualification, and performance levels, and generally, all staff can expect to be paid within the salary structure associated with their job's grade.

All job descriptions submitted to Human Resources are reviewed and aligned with a specific pay grade. If the job is a benchmark job, refer to the "Market Pricing Guidelines" section for guidelines on benchmarking the job and reference the resulting survey data to assign the job to the most appropriate pay grade (i.e., the pay grade with the midpoint closest to the survey market median).

If the job is a non-benchmark job, HR and the supervisor will evaluate the job relative to the closest





# Job Reclassification for Staff

## Job Reevaluation

It is essential to distinguish between a change in the job content and a change in the incumbent's skill, knowledge, or performance. This section applies during the normal course of operation, changes in primary/essential responsibilities.

## Movement to a Job in a Higher Pay Grade

Typically called a “promotion,” this involves taking on a job that is assigned to a higher pay grade. Such a move generally warrants an increase in pay to recognize these additional responsibilities and to ensure that pay for the new job is consistent with market and internal equity. An exception may occur if the incumbent’s current pay is very high in the grade for his or her current job.

Human Resources and managers will collaborate to determine an appropriate pay within the pay grade, based on the individual’s skill, knowledge, experience, and performance. The manager will recommend a pay adjustment, which HR will review and approve, with SMU leadership, as appropriate. Since circumstances vary and each individual has a different pay history, it is important to consider multiple factors when making pay decisions related to promotions.

## Movement to a Job in a Lower Pay Grade

At times, an individual may be reassigned or choose to move to a position in a lower pay grade. This most likely will occur as a result of a more appropriate fit between the individual’s capabilities and the skills and expectations of a different job. When an employee either applies to a job or chooses to move to a job in a lower pay grade, the incumbent’s pay may be adjusted to reflect the responsibilities of the new job. In cases where a position is reassigned to a new grade due to a reorganization or restructuring, Human Resources, the supervisor, and if appropriate, SMU leadership will evaluate these situations on a case-by-case basis to determine if any pay adjustments are necessary and appropriate.





# Program Maintenance

## Job Descriptions

Job descriptions are an essential management tool and can be used for many purposes, including recruitment, organizational planning, pay benchmarking, FLSA classification, ADA (Americans with Disabilities Act-21.652( )11.2 ans FLS 0[nce, and c(e,1ha1(i)2.6 (f)-6.Pa exi)2.6pe (c)8.9 (t)-6.7



# Market Pricing Guidelines for Staff

SMU adheres to the following steps when conducting market pricing:

## Step 1: Identifying Benchmark Jobs

- A benchmark job is a job that is commonly found in other organizations. *Examples of benchmark jobs are Accountant, Financial Aid Counselor, and Custodian.*
- Not all jobs at SMU will be benchmark jobs. At least 60-70% of jobs should be benchmarked to provide adequate data to develop a market-based pay structure.
- Benchmark Job Characteristics.
  - Jobs are well known and can be found in similar form (at least 70% match) in multiple survey sources.
  - Jobs that represent the institution across job families, departments, and pay levels.

## Step 2: Identify Appropriate Survey(s)

- Survey sources should be legitimate, relevant, and contain the appropriate job, compensation, and participant information. These survey sources are conducted and published on a regular basis by reputable, independent survey firms. These surveys collect and analyze data from multiple markets including higher education institutions, as well as general industry.
- Often times, managers and employees will cite market data as justification for higher salaries when in actuality the data being presented is crowdsourced data. Crowdsourced data differs from regulated salary surveys in the three main differences:
  - v – Salary based on Title vs Duties and Responsibilities



# Appendix A

## 2024 Staff Salary Structure

Salary Grade	Minimum	Midpoint	Maximum	Midpoint Differential	Range Spread
33	\$37,000	\$44,400	\$51,800	N/A	40%
34	\$40,700	\$48,800	\$57,000	10.0%	40%
35	\$44,800	\$53,700	\$62,700	10.0%	40%
36	\$49,300	\$59,100	\$69,000	10.0%	40%
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# Appendix B

# Appendix C

