

UCSD Implementing Procedures PPSM 30: Compensation

Note: In support of the University's commitment to pay equity, the annual salary increase limit in Section III.B.4 was removed from PPSM 30 effective 11/20/2018.

I. IMPLEMENTING PROCEDURES SUMMARY

UCSD Implementing Procedures are to be used in conjunction with [UC Personnel Policies for Staff Members \(PPSM\)-30: Compensation](#). These implementing procedures describe local information in support of the systemwide policy pertaining to compensation, hours of work, attendance and related components for employees in the Managers and Senior Professionals (MSP) and Professional and Support Staff (PSS) personnel groups.

II. DEFINITIONS

- A. **Class:** The term "class" applies to an established job title, published in the Universitywide Title and Pay Plan, and designated by a four-digit title code.
- B. **Demotion:** The change of an employee from one position to another position which has a lower salary range maximum.
- C. **Dual Employment:** Overtime worked by an employee who holds a full-time position is designated as dual employment if the overtime is worked in another department or in a different class in the same department. Such overtime normally is not permitted. However, upon request of the department head, exceptions may be approved by the Human Resources Department Talent Acquisition and Outreach Services (TAOS) when:
 - 1. An employee is to teach a University Extension course with teaching and related duties performed outside the employee's regular schedule; or
 - 2. It is impractical to employ another person; the additional appointment will not exceed a total of 12 calendar months; the time worked on the additional appointment will not be detrimental to the employee's health nor affect performance adversely; and the employee's full-time department head agrees to the arrangement. If dual employment is necessary for a period in excess of 12 months, TAOS is authorized to approve individual exceptions.

If an employee works full-time in a class that is exempt from premium overtime and works overtime in a class that is subject to premium overtime, the overtime is paid at the straight-time rate providing that the overtime does not exceed 20% of the total hours worked in a workweek. If an employee works full-time in a class that is non-exempt from premium overtime, the overtime is subject to payment at the premium rate, regardless of the exemption status of the position filled in a dual employment status.

UCSD Implementing Procedures
PPSM 30: Compensation

- D. **Evening Shift Differential:** An evening shift differential shall be paid to an employee in an eligible class for all hours of a shift when four or more of the hours are worked after 5:00 p.m. and before 12:00 a.m.
- E. **Exempt and Non-exempt:** Definitions of exempt and non-exempt employees can be found in UC Personnel Policies for Staff Members, 2/Definition of Terms. Exempt and non-exempt titles are identified in the Staff Title and Pay Plan, Section 250-Pay Rates.
- F. **Extended Workweek:** Planned overtime that is required on a regular and continuing basis for a period of approximately six (6) months or longer, when that is the only practicable solution to work requirements, is designated as an extended workweek. Such arrangements shall be approved in advance and confirmed in writing by the department head up to a maximum of 12 months so long as the overtime will not be detrimental to the employee's health nor affect performance adversely. Any extended workweek requests beyond 12 months are to be reviewed by the Human Resources Department.
- G. **Intermittent Overtime:** Overtime worked on an irregular basis according to the needs and discretion of the department is designated as intermittent overtime. The department head shall approve intermittent overtime in advance.
- H. **Multiple Part-Time Appointments:** In the case of employment in two or more classes, one of which is subject to premium payment, the overtime worked is subject to compensation at premium rates as follows:
- If more than 20% of the total hours worked in a workweek is in a class subject to premium overtime rates, all overtime shall be subject to compensation at the premium rate. Conversely, if twenty percent or less of the total hours worked in a workweek are in a class subject to premium overtime rates, all overtime shall be compensated at the straight time rate.
- I. **Night Shift Differential:** A night shift differential shall be paid to an employee in an eligible class for all hours of a shift when four or more of the hours are worked after 12:00 a. m. and before 8:00 a. m.
- J. **Promotion:** The change of an employee from one position to another position, which has a higher salary range maximum, is termed a promotion.
- K. **Reclassification, Downward:** The change of the title of an employee's current position to a title of a different class having a lower salary range maximum is termed a downward reclassification.
- L. **Reclassification, Lateral:** The change of the title of an employee's current position to a title of a different class having the same salary range maximum is termed a lateral reclassification.

- M. **Reclassification, Upward**: The change of the title of an employee's current position to a title of a different class having a higher salary range maximum is termed an upward reclassification.
- N. **Transfer**: The change of an employee from one position to another position, which has the same salary range maximum, is termed a transfer.
- O. **Weekend Shift Differential**: A weekend differential shall be paid to an employee in an eligible class for all hours actually worked between midnight Friday and midnight Sunday. Weekend differentials shall not be included in payments for paid leave.

III. POLICY STATEMENT

A. Compensation Philosophy

Compensation, consistent with overall University policies, is designed to reflect the organizational values and business needs of the institution in order to attract, retain and motivate a high quality staff. Components of the philosophy include:

- **Market**: To be competitive with the appropriate labor market within the context of total compensation. Considerations are availability of appropriate funding, recruitment and retention, priorities and other determinants of the organization's willingness to pay.
- **Pay for Performance**: To promote a relationship between pay and performance.
- **Internal Equity/Alignment**: To establish and maintain criteria to determine the relative contribution of jobs in a consistent and objective manner.
- **Evaluation Process**: To measure compensation programmatic effectiveness.

B. Salary

1. Range Placement Guidelines

Salary ranges at UCSD are broad enough to provide salary-setting flexibility to cover a wide range of employment situations. Generally, employees will be paid within the second and third quartiles of the range, which is typically consistent with the market value of fully qualified employees. The first quartile of the range is appropriate for trainees or those whose background matches only the minimum qualifications of the position. The fourth quartile of the range is appropriate for those with many years of experience in the discipline and who have an exceptional performance history.

2. Appointment Rates

The salary of a person newly appointed shall be established between the minimum and midpoint of the salary range, subject to availability of funds and internal equity considerations. Appointments above the range midpoint may be approved by the Human Resources Department Compensation Unit in unusual

UCSD Implementing Procedures
PPSM 30: Compensation

cases based upon the qualifications, salary history and salary requirements of the candidate; market considerations as evidenced by salary surveys and recruitment experience; and internal equity considerations. Changes in status from limited, floater or casual-restricted to career appointments shall be treated like a new appointment with respect to establishing an appropriate rate.

3. UC Fair Wage/Fair Work Plan

On July 22, 2015, the UC President established the UC Fair Wage/Fair Work Plan. The plan established a UC minimum wage and implementation timeline. To be eligible for the plan:

- Employees must be in an appointment type other than casual/restricted
- Employees must be in at least one appointment at 50% or greater
- Employees in multiple appointments of less than 50% cannot combine appointments to meet the percentage threshold.

4. Merit Increases

Information related to the amount, timing and eligibility criteria for merit increases is distributed annually in accordance with Universitywide funding guidelines. Generally, employees will be eligible for merit increase consideration if they are in a career position; have completed a probationary period (if applicable); and are not at the salary range maximum. The amount of increase awarded is influenced by performance as it relates to current pay and assigned responsibilities, the employee's current position within the salary range, relative performance among employees in the review unit, and availability of funds.

5. Salary Increases for Limited and Floater Positions

Employees in limited and floater appointments are not eligible for merit increases; however, they may have their pay adjusted if and when their appointments are renewed.

6. Salary Increases for Casual-Restricted Positions

Students employed in casual-restricted positions are eligible for a merit increase after completing twelve months on pay status since the most recent date of hire or last within-range increase.

7. Promotion, Reclassification, Demotion or Transfer

a) Promotion or Upward Reclassification

In determining the appropriate amount of increase, the differences in responsibility between the old and new position, length of service, performance, relative placement in the new salary range in relation to the midpoint and in relation to other employees in the unit, and availability of funds are considered. Normally, the resultant salary is between the minimum and the midpoint of the new salary range.

b) Demotion or Downward Reclassification

UCSD Implementing Procedures
PPSM 30: Compensation

Upon demotion, an employee normally will receive a salary decrease. Upon downward reclassification, an employee may receive a salary decrease; however, the employee's current salary rate may be retained even though the salary is above the maximum of the salary range for the new class, following approval by the Human Resources Department Compensation Unit. In such a case, the employee shall not be granted a salary increase until range adjustments occur which bring the employee's rate of pay back within range.

c) Lateral Transfer

Upon lateral transfer, normally there will be no salary increase. However, Vice Chancellors may approve a salary increase up to the salary range maximum in exceptional situations:

- i. An internal inequity between two or more positions;
- ii. When the employee is assuming a significant increase in responsibility;
and
- iii. External market factors.

Authority to approve salary increases upon lateral transfer may be redelegated to a senior level designee. This authority is not subject to redelegation to departments.

d) Lateral Reclassification

Upon lateral reclassification, normally there will be no salary increase. However, a salary increase may be approved in exceptional situations via the equity increase policy as described in III.B.7.

8. Equity Increases

Within-range salary advancement occurs primarily through merit increases. The equity increase policy provides a mechanism for granting salary increases to non-probationary employees outside of the normal merit cycle due to a variety of situations that represent a salary inequity. Such situations include:

- a) An internal inequity between two or more positions (same title code/payroll title);
- b) Assignments of higher-level functions or other significant job duties not part of the employee's current job description that do not warrant reclassification to a higher salary grade (requires an updated job description);
- c) Position-related certification that adds value to the position (requires a copy of the certification);
- d) External market factors as evidenced by a valid salary survey, recruitment and retention experience, etc. (must be validated by HR Compensation staff);

**UCSD Implementing Procedures
PPSM 30: Compensation**

- e) Retention (~~requires a written job offer at the same or comparable level~~); and
- f) Salary compression between a lead and/or supervisor and their employees.

~~Vice Chancellors, or their senior level designee, have authority to approve equity increases up to the salary range **maximum** that do not exceed 25% in a fiscal year. Authority to approve equity increases up to the salary range **midpoint** that do not exceed 25% in a fiscal year may be re-delegated to, Deans, Department Heads/Department Business Officers, or Department Chairs. All equity increases approved outside of the Human Resources Department must be documented and submitted to the Human Resources Department via the Equity Module (available on Blink) or the "Equity Increase Justification and Approval Record" (Appendix A).~~

For exempt employees, equity increases take effect the first of the month following receipt of a written request. For non-exempt employees, equity increases take effect the first pay period following receipt of a written request.

9. Six-Month Increases

There are no classes eligible for six-month increases at UCSD.

10. Retroactive Salary Actions

Retroactive salary actions are exceptions to policy when they are not approved and processed as follows:

- MSP whose total cash compensation is greater than Indexed Compensation Level: within 45 calendar days of the action effective date
- All other employees: within six calendar months of the action effective date.

11. Annual Salary Increase Limit

~~According to systemwide policy, an employee's total salary increase in a single fiscal year (including, for example, promotional increases, equity increases, and increases to bring the salary to the minimum, but not including salary program, merit increases or incentive awards) shall not exceed 25 percent of base salary, unless an exception is granted by the Assistant Vice Chancellor – Human Resources (AVC-HR). The following example illustrates this calculation:~~

6/30/01 Salary	—————	\$40,000	25
Percent Limit	—————	\$50,000	

~~Salary cannot exceed \$50,000 until July 1, 2002.~~

12. Administrative Stipend for Temporary Assignments

Stipends are appropriate when increased responsibilities of a higher-level position or other significant duties not part of the employee's regular position last for at least 30 working days or longer with a maximum duration of one year. Extensions beyond one year require approval by the Human Resources Department, Compensation Division. Stipends that exceed 24 months are an exception to policy and require AVC-HR approval.

The amount of stipend shall not exceed 25% or the amount of salary increase that could be received by an employee if s/he were to receive a permanent promotion to the higher grade or classification. Frequently, stipends are less than the increase that would be approved upon permanent promotion because the employee assigned temporary responsibilities at a higher level may be operating with more limited authority than those permanently assigned to the position.

13. Perquisites

Meal and housing perquisites are provided for employees only when they are required by management for management's convenience in operating food or residence halls or other programs. Meals or housing accommodations provided which do not meet the criteria for mandatory perquisites shall be sold to employees on a cash basis. Mandatory perquisites are not subject to federal income tax deductions. The value of mandatory perquisites must be fully and clearly communicated to all applicants and to newly hired employees. The value must also be indicated on payroll records.

14. Compensation Requiring Approval by The Board of Regents

Requests to establish or modify cash compensation, including base salaries, stipends, incentive awards, and/or other one-time payments, to levels requiring approval of The Board of Regents must be submitted in advance to the campus Senior Management Program Coordinator. The Senior Management Program Coordinator will coordinate the campus review of the request and submission of the Regents item by the Chancellor to the Office of the President.

C. Hours of Work

1. Standard Workweek

For non-exempt employees, the standard workweek is midnight Sunday morning (12:00:01 a.m.) to midnight the following Saturday. For exempt employees, the standard workweek is from 12:01 am Monday to midnight the following Sunday.

2. Standard Work Schedule

The standard work schedule for full-time employees shall be eight (8) hours per day on five (5) consecutive days, from 8:00 a.m. to 4:30 p.m., with 1/2 hour for a meal period.

3. Alternate Work Schedules

The department head may approve an alternate (flexible) work schedule for the entire department, or for individual employees, in accordance with the following:

- a. An alternate work schedule shall consist of 40 hours in one designated workweek, or 80 hours in two consecutive workweeks.
- b. Overtime shall be in accordance with UC Personnel Policies for Staff Members 30: Compensation and Section III.E. below (Non-exempt employees only).

4. Rest Periods

Time not used for rest periods shall not be accumulated for use on another day. Rest periods are scheduled by the supervisor and rest period privileges may be withdrawn by the supervisor if such privileges are abused. Operational requirements may at times require the uninterrupted presence of the employee. In such situations, rest breaks will not be granted. The department head may make policy exceptions permitting the rest periods to be combined with the meal period for some, or all employees in the department.

5. Call Back Time

The use of call-back should be resorted to only in emergency situations or unusual instances when it is not possible for the work to be accomplished through normal scheduling or scheduling of overtime.

D. Attendance Records

1. Exempt Employees

Because exempt employees are paid a predetermined salary each pay period and are not paid based on hours worked, they shall not be required to record their work time, nor adhere to strict time recordkeeping and attendance rules for purposes of receiving their salary.

Leaves with and without pay shall be used in one-day increments only, or in increments not less than that portion of a day during which an employee on less than full-time pay status is normally scheduled to work. Absences of less than a day shall not be charged against accrued leave time.

When an employee has exhausted all available accrued leave, salary shall not be reduced for absences of less than a full day or less than that portion of a day during which an employee on less than full-time pay status is normally scheduled to work.

2. Non-Exempt Employees

Attendance records shall contain the employee's name, workweek, and work schedule, if not standard. Records of time worked and leave accruals (including compensatory time off accruals) shall be maintained to the nearest quarter hour.

**UCSD Implementing Procedures
PPSM 30: Compensation**

All absences with and without pay, including sick leave, extended sick leave, vacation leave, holidays, military leave, jury duty, voting time, and compensatory time off shall be recorded to the nearest quarter hour.

Records of overtime worked each day shall be maintained. Overtime worked must be designated, at the end of the workweek, either as overtime earned at the straight-time rate or as overtime earned at the premium rate. Compensatory time off records must distinguish between compensatory time off for overtime earned at the straight time rate and compensatory times off for overtime earned at the premium rate. No more than 160 hours of overtime, which requires compensation at the premium rate, may be accrued.

E. Overtime and Over-Schedule (Non-Exempt Employees Only)

1. Scheduling Compensatory Time Off

Compensatory time off for overtime accrued at either a straight-time rate (1 hour off for each hour of overtime worked) or at the premium rate (1-1/2) hours off for each hour of premium overtime worked) shall normally be taken within six (6) months from the first of the month following the date on which earned; however, the department head may authorize, in writing, an extension of up to an additional six (6) months.

The University schedules compensatory time off. Employees may also request use of compensatory time and such requests shall be granted subject to the operational needs of the University. Use of compensatory time off requires prior approval in accordance with departmental policy.

2. Payment of Accrued Compensatory Time

Accrued hours of overtime shall be paid at the employee's rate at the time of payment:

- a. If not taken as compensatory time off within six (6) months or within the authorized period of extension;
- b. Upon transfer to another department (by the department in which the overtime was worked); and
- c. Upon separation. (Note: if the final rate at the time of payment is lower than the average hourly rate received by the employee during the last three years of employment, payment upon separation must be based on the higher of the two rates.)

3. Overtime Meals

When an employee is required to work more than two hours past the normal quitting time, or more than four hours on a normal day off, and the department deems it impractical for the employee to return home for a meal, the employee may be reimbursed for actual meal expenses up to a maximum of \$8.00.

4. Seaman Exemption

Employees whose primary duty is the operation of a vessel (i.e., ship's crew) are exempt from the premium overtime provisions of the Fair Labor Standards Act (FLSA) when actually engaged in vessel operations, and only when such employees are aboard ship or standing watch in port. Although premium overtime is nevertheless voluntarily provided for such employees while at sea, they are not subject to the 240-hour limit on compensatory time accrual for overtime worked at sea. These employees are not exempt from the FLSA for overtime when working in on-shore stations, laboratories or shops. Therefore, on shore overtime is subject to the 240- hour maximum accrual limit.

F. Shift and Weekend Differential

A shift differential shall be paid to an employee in an eligible class when such payment is essential for recruiting and retaining employees and is justified by prevailing practice in private industry and public jurisdictions.

IV. COMPLIANCE/RESPONSIBILITIES

A. Salary

1. **Department Head**: The Department Head is responsible for:
 - a. Developing merit and casual-restricted increase recommendations;
 - b. Establishing appointment rates;
 - c. Determining salary adjustments upon reclassification, promotion and demotion;
 - d. Determining the need for, and value of, mandatory perquisites;
 - e. Maintaining internal equity; and
 - f. Approving stipends and equity increases, where authority has been delegated under specific written delegation of authority.
2. **Human Resources Department**: The Human Resources Department is responsible for:
 - a. Adjusting salary ranges;
 - b. Developing merit increase guidelines and ensuring budgetary control of merit increases;
 - c. Approving exceptions to salary policy limitations where appropriate; and

**UCSD Implementing Procedures
PPSM 30: Compensation**

- d. Monitoring equity increases and stipends approved subject to delegation of authority.

B. Hours of Work

1. **Assistant Vice Chancellor – Human Resources**: The AVC-HR is responsible for determining eligible classes and rates for on-call assignments.
2. **Department Head**: The Department Head is responsible for:
 - a. Reviewing and approving requests for alternate work schedules and alternate work workweeks.
 - b. Determining when on-call assignments and call-back are necessary.

C. Attendance Records

1. Department heads will ensure that records are accurately maintained for all employees within their areas of responsibility.
2. Employees will record and maintain accurate attendance records and submit them on a timely basis to the departmental timekeeper following approval.

D. Overtime and Over-Schedule (Non-Exempt Employees Only)

1. The Human Resources Department shall determine the exemption status of positions and approve dual employment requests.
2. The department head is for the:
 - a. Approval of overtime assignments;
 - b. Proper maintenance and retention of timekeeping records;
 - c. Preparation of the necessary payroll forms to accurately reflect overtime compensation for all overtime required, or permitted to be worked, by UCSD employees;
 - d. Extensions of the maximum time period for retaining compensatory time leave accruals;
 - e. Reimbursement for overtime meals; and
 - f. Securing employee agreement to accept compensatory time off in lieu of premium overtime payment.

E. Shift and Weekend Differential

1. The Assistant Vice Chancellor - Human Resources is responsible for establishing the definitions of evening, night and weekend shifts; determining which classes are eligible to receive shift differential; and setting rates.

2. The department head is responsible for assigning work and ensuring that payroll and timekeeping records reflect adherence to the shift and weekend differential policy.

V. REQUIRED PROCEDURES

A. Salary B. Hours of Work

1. On-Call

An employee is considered to be in on-call status only when assigned by the University. On-call will be considered hours worked when an employee is required to restrict personal activities so that the employee cannot use his or her time effectively for the employee's own purposes. Under such circumstances, the employee will be paid at the employee's normal pay rate (or overtime when appropriate).

On-call will not be considered hours worked when employees are free to engage in activities for their own purposes, but are required to inform the employer how they can be reached or to carry a beeper or radio. It is not mandatory to compensate for this type of on-call; however, locations may establish on-call rates according to local needs.

Classes eligible to receive on-call payments are listed in the "Shift Differential and On-Call" table of the Staff Title and Pay Plan, along with the applicable rates. Employees in eligible classes who are assigned on-call will have an On-Call (TOC) distribution line with the appropriate pay rate reflected in their Payroll/Personnel System record.

Time spent on-call but not actually worked is not considered as hours of work nor as hours on pay status for the purpose of determining hours of overtime. However, payment for on-call time shall be included as a part of total straight time compensation in calculating the premium overtime rate. If an employee is called, the time actually worked shall be reported as Regular Time, Overtime Straight or Overtime Premium, as appropriate.

C. Attendance Records

Timekeeping forms and procedures are described in PPM 395-4.1, Timekeeping: Attendance Records.

D. Overtime and Over-Schedule (Non-Exempt Employees Only)

1. Employee Notification

As soon as possible after the need for overtime is determined, the department head shall notify the employee that overtime must be worked. Upon request, an employee is expected to work overtime. However, in assigning overtime the

department head will take into account the employee's preference for overtime assignments.

2. Compensatory Time Agreement

A model compensatory time agreement form is included (Appendix B) for use in establishing a record of the employee's decision with respect to acceptance of compensatory time off in lieu of premium overtime pay for hours worked in excess of 40 per week, at management's discretion.

The model form may be used for employees who are hired, transferred, reclassified, or promoted into positions, which are designated as non-exempt.

E. Shift and Weekend Differential

1. Eligibility

Non-exempt classes eligible to receive shift and weekend differential are listed in the "Shift Differential and On-Call" table of the Staff Title and Pay Plan, along with the applicable rates. Employees in eligible classes who are assigned to work evening, night and/or weekend shifts will have a Shift Differential (SDF) or Weekend Differential (WDF) distribution line with the appropriate pay rate reflected in their Payroll/Personnel System record. Employees in non-exempt ship's crew classes are eligible to receive sea pay differential at sea, but are not eligible to receive shift differential at sea. Non-exempt ship's crew classes are eligible to receive shift differential when working on shore.

2. Overtime

An employee in an eligible class regularly assigned to a day shift of eight hours or longer shall be paid a shift differential for overtime hours when the overtime hours are worked after 5:00 p.m. and before 8:00 a.m., the total overtime equals at least four hours, and the overtime is not compensated at the premium rate.

3. On-Call and Call-Back

Actual hours of work performed during an on-call or call-back period are subject to shift differential. Shift differential is not included in computing payment for time spent in on-call status that is not counted as hours of work.

VI. RELATED INFORMATION

- Personnel Policies for Staff Members 2: Definition of Terms
- Personnel Policies for Staff Members 30: Compensation
- Personnel Policies for Staff Members 80: Staff Personnel Records
- UCSD Implementing Procedures 14: Affirmative Action
- UCSD Implementing Procedures 23: Performance Management
- UCSD Guide to Flexible Work Arrangements
- Staff Title and Pay Plan
- Staff Title and Pay Plan – Shift Differential and On-Call Table
- Timekeeping: Attendance Records, PPM 395-4.1

- UC Fair Wage/Fair Work Plan

VII. FREQUENTLY ASKED QUESTIONS

A. What represents an internal inequity between two or more positions?

An inequity may exist when similarly situated employees are not paid comparable rates. For purposes of pay equity, “similarly situated” refers to career employees who have comparable qualifications, levels of responsibility, salary history, performance, and length of time within the same salary grade. Generally, the scope of comparison for Professional and Support Staff (PSS) will be other employees within the same department (layoff unit.) The scope of comparison for Managers and Senior Professionals (MSP) will generally be other employees within the same Vice Chancellor area.

An inequity may also exist when the salaries of employees at different levels in the organization are out of alignment. When salaries are unreasonably compacted or inverted, this may be viewed as an inequity. When salaries are not in alignment, as described below, an equity increase may be approved to restore alignment.

Organizational alignment occurs when:

- Pay differences exist between supervisors and the employees they supervise
- Pay differences exist between employees in different grades
- Pay differences exist between employees in the same grade who have different levels of responsibility, qualifications and performance over time
- Policy-covered employees are paid equitably in comparison to rates paid to related bargaining unit employees

B. How do you compensate an employee who is assigned higher-level functions that do not warrant reclassification to a higher salary grade? The assignment of higher-level functions (not increased workload) may be compensated with an equity increase. Significant factors for comparing the level of work include the following:

- Nature, variety and difficulty of work
- Supervision received
- Supervision exercised
- Guidelines used in the performance of duties
- Innovative requirements
- Person-to-person work relationships
- Purpose and scope of recommendations, decisions, commitments and conclusions

A change in assignment must be documented with an updated job description.

C. How can you compensate an employee who has acquired new skills?

Salary adjustments may be warranted when the employee acquires new skills and knowledge (beyond normal job growth) that allow them to provide a higher level of

expertise in the delivery of assigned functions. Skills and knowledge requirements already documented on the job description serve as a base-line requirement for hire and therefore, will not qualify for an equity increase.

D. What can be done when salaries are no longer competitive with the external market?

External market movement may create conditions under which an equity increase may be granted to keep salaries at competitive rates. The “external” market relates to rates paid to similar positions outside of UCSD. The market rate is determined through a variety of sources including a valid salary survey, and/or the salary history or salaries of the qualified pool of applicants who have applied for recent job vacancies.

E. Can I make a counter-offer to retain an employee who has received an external salary offer?

Ideally, UCSD policies and management practices will ensure a proactive approach to maintaining market-competitive salaries. However, occasionally, managers must act if they wish to retain a key individual who receives a bona fide job offer.

Managers may request a copy of the written job offer before responding. In such situations, equity increases may be approved as a retention strategy. When evaluating the appropriate level of counter-offer, the following factors should be considered:

- Is the competing offer for a position at the same approximate level of responsibility?
- How the total compensation package (salary, lump sum incentives, benefits, perquisites, professional development opportunities, advancement potential, quality of work-life, etc.) compares?
- What impact would a counter-offer have on internal equity?
- In the event a counter-offer throws salaries out of alignment, are there funds available to restore internal equity? In the event funds are not available to restore internal equity, is retention of the individual so critical to department operations that it overrides whatever morale issues may develop as a result of the misalignment?

Although counter-offers are generally appropriate when offers are being considered external to UCSD, this policy also allows the existing department to make counteroffers when an employee is offered a salary increase to accept a position in another department at UCSD.

VIII. APPENDIX

Appendix A: Equity Increase Justification and Approval Record

Appendix B: Overtime Pay Versus Compensatory Time Election Form

Appendix C: Sea Pay Implementing Procedures (SIO Employees Only)