

Compensation Study FAQs

Purpose of the Compensation (Market) Study

The goals of this study were to:

- Understand differences in compensation between university and comparable public and private employers
- Recommend new pay structures, policies, and guidelines designed to be:
 - Market competitive
 - Internally equitable
 - Mindful of the institution's regulatory and financial constraints

1. Who is eligible for the market salary increase?

All classified, wage and A/P Faculty are eligible for the increase.

2. What is meant by market and how is it determined?

“Market” means the expected salary for the position in the marketplace.

The market salary for each position was determined by examining salary data for comparable positions in three markets, higher education, local area public sector and local area private sector.

3. Why are market salary adjustments necessary?

Market salary adjustments are necessary to ensure that the University remains competitive in order to attract and retain the best employees. Over the last 10 years state-supported pay increases have been minimal. Below-market pay rates have contributed to increased turnover, delays in filling positions, and declines in employee morale.

4. What is a sub-band?

For classified and wage, the structure of [Pay Bands](#) established by the Commonwealth have been divided into 5-6 sub-bands based on the identification of the market competitive pay range for classified positions. The lowest sub-band starts at the minimum of the state pay band and the highest sub-band ends at the state maximum for that pay band.

Classified and Wage Pay Structure

Sub-Band Structure Based on FY18 State Pay Bands

Sub-Band	Target Minimum	Sub-band Maximum
1A	\$22,131	\$38,729
1B	\$23,237	\$40,665
1C	\$24,399	\$42,698
1D	\$25,619	\$44,833
1E	\$26,900	\$46,778
2A	\$23,658	\$41,402
2B	\$24,841	\$43,472
2C	\$26,083	\$45,646
2D	\$27,388	\$47,928
2E	\$28,757	\$57,644

Sub-Band	Target Minimum	Sub-band Maximum
3A	\$25,718	\$45,007
3B	\$27,647	\$48,382
3C	\$29,720	\$52,011
3D	\$31,949	\$55,911
3E	\$34,346	\$60,105
3F	\$36,922	\$66,683
4A	\$33,598	\$58,797
4B	\$36,118	\$63,206
4C	\$38,827	\$67,947
4D	\$41,739	\$73,043
4E	\$44,869	\$78,521
4F	\$48,234	\$83,649

Sub-Band	Target Minimum	Sub-band Maximum
5A	\$43,892	\$74,616
5B	\$47,184	\$80,213
5C	\$50,723	\$86,229
5D	\$54,527	\$92,696
5E	\$58,616	\$99,648
5F	\$63,013	\$105,811
6A	\$57,342	\$97,481
6B	\$61,643	\$104,793
6C	\$66,266	\$112,652
6D	\$71,236	\$121,101
6E	\$76,578	\$130,183
6F	\$82,322	\$134,764

Minimum and maximum pay band amounts are shown in blue.

5. How were positions placed in sub-bands?

State pay band placement for each position continues to be based on the state role titles and Employee Work Profiles. Sub-band placement is based on external market value for similar positions and hierarchy (grades) within the state roles. For jobs without market data, sub-bands were assigned based on the job hierarchy (grades) of related positions.

Placement of Jobs on the Pay Structure

- Market data was used to place each job in a sub-band, with a goal of getting all employees to at least 90% of the market minimum
- For jobs without market data, sub-bands were assigned based upon the job series hierarchy

For Example:

Job Title	Current Grade	Current Hiring Minimum	Market Minimum	Current Market Position	Proposed Sub-Band	Proposed Sub-Band Minimum	New Market Position
HVAC Assistant	6	\$24,969			3C	\$29,720	
HVAC Technician	8	\$29,829	\$38,579	77%	3E	\$34,346	89%
HVAC Technician, Senior	9	\$32,619			4C	\$38,827	
HVAC Supervisor	10	\$35,653			4D	\$41,739	

Cabinet Vice Presidents and Department heads reviewed final sub band placements for positions in their areas.

6. What is the role of the EWP in sub-band placement?

For classified and wage, each position's classification determines its state pay-band and university sub-band placement. The classification is based on the job duties described in the employee's EWP. Supervisors work with employees annually to review and ensure that EWPs are accurate. Supervisors are to update EWPs as changes occur in Careers. Employees are required to acknowledge these changes. NOT all changes are sufficient to result in a change in classification. HR makes the final determination based on state specifications and university utilization of state roles.

7. Will employee performance ratings affect the placement of their position in a sub-band?

No.

8. Is FLSA status as either exempt or non-exempt a factor in determining sub-band placement?

No.

9. How will I know what my sub-band is?

You will be notified by Human Resources.

10. Does a position's sub-band ever change?

Yes, it could change in the future based on a change in duties and responsibilities.

11. When will the increases go into effect?

For classified and A/P Faculty, the increase will go into effect on September 10, 2018. For wage employees, the increase will go into effect on September 17, 2018.

Eligibility

12. How does the university determine who will get a market salary adjustment?

Based on current market data and available funding, classified and wage employees whose salaries on July 10, 2018 are below the sub-band minimum will be eligible for market adjustments on September 10, 2018 or September 17, 2018.

For A/P Faculty whose salaries are at least 80% below the market midpoint will be eligible for a market adjustment on September 10, 2018.

13. Will the A/P Faculty or classified employee's performance rating affect whether the employee receives a market adjustment on September 10, 2018?

Any classified or A/P Faculty who was on payroll on July 10, 2018 and whose pay is below the sub-band minimum (classified and wage) or 80% below market midpoint (A/P Faculty) AND received a rating of "Contributor" or higher during the last review.

14. Is there a limit on how much of an increase an employee can receive as a market salary adjustment?

Yes. In accordance with DHRM's policy, the maximum increase an employee will receive is 10% per fiscal year. DHRM may approve exceptions based on documented justification.

15. What is the difference between a change in duties in-band salary adjustment and a market salary adjustment?

A change in duties in-band salary adjustment is a non-competitive pay practice, which allows agency management the flexibility to adjust individual salaries within their Pay Band/sub-band based on a change in duties (higher level).

A market adjustment is another type of in-band adjustment based solely upon market data. A market adjustment is given to bring an employee's salary closer to the university's market salary determined through the market study. Market adjustments are not determined through an adjustment and review process; they are determined by analyzing data.

Employees may receive more than one in-band adjustment or bonus within a fiscal year but the combined in-band bonuses and in-band salary increases cannot exceed 10% without DHRM approval.

The following is the DHRM Pay Practices Chart for Classified and Wage employees

Pay Practice	Application	Same Position # or Different Position #	Competitive or Non-Competitive	Pay Guidelines
Starting Pay	New employee Rehires		Competitive	Negotiable from minimum of pay band or alternate band up to 15% above current salary, not to exceed pay band maximum. (Exceptions higher than 15% may be granted as appropriate at agency discretion)
Promotion	Movement to a different Role in a higher pay band	Different Position #	Competitive	Negotiable from minimum of new pay band or alternate band up to 15% above current salary, or up to the hiring range minimum if it is higher. (Salary may not be below the minimum of the new pay band or alternate band. Exceptions higher than 15% and the hiring range minimum may be granted by the agency with documentation of the basis for the exception provided to DHRM.
Voluntary Transfer	Movement within same Role or to different Role in the same pay band	Different Position # Different Position #	Competitive Non-Competitive	Negotiable from minimum of pay band or alternate band up to 15% above current salary, or up to the hiring range minimum if it is higher, not to exceed pay band or alternate band maximum. Negotiable from minimum of pay band or alternate band up to 10% above current salary not to exceed pay band/alternate band maximum. Must be within same agency or parent agency.
Voluntary Demotion	Movement to a different Role in a lower pay band	Different Position #	Competitive or Non-Competitive	Negotiable from minimum of pay band or alternate band up to current salary not to exceed pay band or alternate band maximum (Agency option to freeze salary above maximum for 6 months). Non-Competitive: Must be within same agency or parent agency.
Temporary Pay (Assuming new duties and responsibilities on a temporary basis)	Different Role in a higher pay band Temporary pay for same or different Role in the same pay band	Same position # Same position #	Non-Competitive Non-Competitive	0-15% above current salary not to exceed pay band maximum 0-10% increase not to exceed pay band maximum
Role Change	Upward: movement to a different Role in a higher pay band Downward: Movement to a different Role in a lower pay band Lateral: Movement to a different Role in the same pay band	Same position #	Non-Competitive	0-10% increase or to minimum of higher pay band No change in salary unless above maximum of the lower pay band, reduce after six months 0-10% increase not to exceed pay band maximum
In-Band Adjustment	No change in Role title Change in duties Application of new knowledge/skills/abilities from education, certification, licensure, etc. Retention (Market)	Same position #	Non-Competitive	0-10% increase not to exceed pay band maximum, maximum 10% per fiscal year for In-Band Adjustments (to include any increase for Lateral Role Change). Exceptions may be requested for cases that significantly exceed normal criteria and are supported by a pay factor analysis. Exceptions must receive prior approval from DHRM.
Disciplinary or Performance-related	Same or lower pay band	Same or Different Position	Non-Competitive	Minimum 5% decrease or to lower pay band Note: Agency must reduce the duties of the employee in order to reduce the pay.
Competitive Salary Offer	Outside offer (including other state agencies)	Same position #	Non-Competitive	Match outside offer not to exceed maximum of pay band. Employee may return to former position within 30 days with agency approval at former salary or salary that agency offered during competitive offer process.
Reassignment within the Pay Band	Agency staffing or operational needs; same or different Role in the same pay band	Different Position #	Non-Competitive	No change in base salary except to adjust for NOVA or Competitive differential change. After any such adjustment, employee's salary must be within the Pay Band or Alternate Band of new position.

All salary actions require the consideration of the following pay factors:

Agency Business Need	Work Experience & Education	Internal Salary Alignment	Current Salary	Total Compensation	Long Term Impact	Salary Reference Data
Duties & Responsibilities	Knowledge, Skills, Abilities	Market Availability	Performance	Budget Implications	Training, Certification, License, etc.	

The following is the UMW Pay Practices Chart for A/P Faculty

Pay Practice	Application	Same Position # or to Different Position #	Competitive or Non-Competitive	Pay Guidelines
Starting Pay	* A result of a recruitment process for a new or current employee		Competitive	The normal hiring range is the first quartile of the market range for the position grade or up to 15% above the current salary based on the considerations of the 13 pay factors. Any exceptions must be based on the 13 pay factors. Hiring salaries must be approved by the cabinet member in consultation with the Recruitment Manager.
Non Competitive Appointment	President appoints an employee to a different position without a competitive process	Different Position #	Non-Competitive	At the discretion of the President and based on market and the 13 pay factors. AAEO will be consulted for a search exemption
Temporary Pay	Temporarily assuming vacant higher level duties or duties beyond the scope of position description	Same position # (changes must be updated in Careers)	Non-Competitive	Recommended Action: up to a 15% salary adjustment request must be submitted to OHR prior to the effective date of the assignment.
Change in Duties Adjustment	New and permanent independent accountability for significant program outcomes or results as determined by Cabinet members	Same position # (changes must be updated in Careers)	Non-Competitive	Recommended Action: up to a 15% increase. Exceptions may be made for cases that significantly exceed normal criteria and are supported by a pay factors.
Competitive Salary Offer – Counter to External Offer	Outside offer (including other state agencies) – Recommended by Cabinet members and approved by the President	Same position #	Non-Competitive	Recommended Action: up to match of total compensation for similar responsibility or up to 15% base pay adjustment for retention in cases where duties of new job are not comparable. Bonuses may also be considered. Documented consideration required for offers beyond these ranges. The official employment offer, including position description applied for, offer letter, and total compensation, including benefits package must be forwarded to HR.
Market Adjustment	Market adjustments are salary adjustments towards the market target of each grade placement range.	Same position #	Non-Competitive	As funding becomes available, the President will authorize adjustments based on preset guidelines i.e. where positions are in relation to the market target, across the board or variable. Market equity adjustments may also be authorized for positions experiencing documented retention and recruitment issues and to address internal alignment on a case-by-case basis.

All salary actions require the consideration of the following pay factors:

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|---------------------------|------------------------------|---------------------------|----------------|---------------------|--|-----------------------|
| Agency Business Need | Work Experience & Education | Internal Salary Alignment | Current Salary | Total Compensation | Long Term Impact | Salary Reference Data |
| Duties & Responsibilities | Knowledge, Skills, Abilities | Market Availability | Performance | Budget Implications | Training, Certification, License, etc. | |

16. Will market salary adjustments be implemented each year?

Classified and A/P Faculty market studies will be updated on a regular basis and adjustments will be made based on data and available University funding.

17. How will I be notified if I get a market adjustment?

All classified and wage employees will receive an email from HR describing their role code, role title, state pay band, new sub-band, sub-band minimum and market adjustment.

All A/P Faculty will receive their market midpoint based on grade and market adjustment.

Effect on Employee's Compensation

18. How will this change affect my "take-home pay"?

Each employee's situation is somewhat unique, depending on his or her salary and the deductions that are taken from his or her paycheck. The higher annual salary will result in an increase in all payroll tax withholdings and other salary-based withholdings like Optional Life Insurance. Therefore, it is likely that the change in take-home amounts may vary somewhat among employees as a result of payroll deductions. **Note:** Optional Group Life withholding changes on January 1 of each year, regardless of salary changes during the year.

19. When will I see the increases in my pay?

For classified and A/P Faculty, the salary increase will appear in the September 28, 2018 pay. For wage employees, the hourly rate increase will appear in the October 12, 2018 pay.

20. Can all or part of the September 10, 2018 or September 17, 2018 salary adjustments be deposited into Deferred Compensation?

Yes. The salary adjustment becomes part of an employee's new regular salary. As such, part or all of the increase may be deferred to the 403(b) or 457 Plan, subject to Plan guidelines and limitations.

21. What is the process for contributing the salary adjustment to the 457 Deferred Compensation Plan?

Currently enrolled and new participants may contribute part or all their salary adjustment to the 457 Plan by logging into their account and selecting the new deferral amount or by calling the toll free Plan Support Line at 1-877-327-5261. To be effective on your October 16, 2018 payday, changes must be made during the period September 10 to September 27, 2018.

WAGE EMPLOYEES ONLY: Mail or fax the Enrollment Form to the address on the form by September 27, 2018 to be effective on your October 26, 2018 pay.

22. What is the process of contributing the salary adjustment to a 403(b) Pre-tax Annuity Plan?

Employees currently enrolled with a tax deferred annuity provider may contribute all or part of their salary adjustment by completing the 403(b) Salary Reduction Agreement (SRA) form.

To be effective on your October 16, 2018 payday, you will need to indicate on the 403(b) SRA form the new pay day deferral amount and effective date in section 3 step 3. The SRA form must be received by Payroll no later than Friday,

September 21, 2018.

Participants are responsible for ensuring any additional contribution does not cause their total 2018 403(b) contributions to exceed IRS limits.

The SRA Salary Reduction Agreement form (403(b) SRA Form) may be found on the UMW Payroll website (go to:

<http://www.umw.edu/documents/document/403bsra>).

Employees not currently enrolled in a 403(b) annuity plan may contact the Benefits Administrator in the Office of Human Resources to obtain information regarding plan vendors.

23. How will the September 10, 2018 salary adjustments affect my retirement benefit calculation?

The salary adjustments will increase employees' creditable compensation. Any future salary increases will be applied to this higher salary. Therefore, beginning October 2018 that are included in an employee's Average Final Compensation will increase the employee's retirement benefit accordingly.

24. Will the September 10, 2018 salary adjustments affect my other benefits?

The salary increase amount is subject to payroll deductions for Social Security and Medicare as well as federal and state income taxes. This may result in an increase in an employee's future Social Security entitlement depending on his or her individual situation. It will also affect the rate used in calculating payments for accrued leave hours.

25. How will the employee's new salary be calculated?

If an employee is employed 100% (40 hours per week for 12 months), the system will multiply the employee's current annual salary (including cents if there are any) by the appropriate percentage and the result will be rounded to the nearest dollar (.5 and above rounds up).

If the employee is employed for less than 100% and 12 months, the salary increase will be prorated based on the employee's percent of full time with the calculated result being rounded to the nearest cent.

26. Does Temporary Pay count toward the calculation of the salary adjustments?

No. Temporary Pay is paid when an agency assigns an employee to perform different key (essential) duties on an interim basis, for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher level position. Because these assignments are temporary, the additional pay associated with them is not creditable for retirement purposes.

27. What happens to employees on leave?

Otherwise-qualified employees who are on short-term disability or other paid leave will receive the salary adjustments on the effective dates.

- Employees on long-term disability-working will also have the salary adjustments applied to their current rates of pay. The adjustments do not apply to individuals who are on long-term disability-non-working.
- Employees on leave without pay are not eligible for the salary adjustments until they return to work or paid leave.