

31.01.01 Compensation Administration

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Regulation Statement

The Texas A&M University System (system) is committed to providing excellence in education, research and service. The system shall maintain a compensation program directed toward attracting, retaining and rewarding a qualified and diverse workforce. Within the boundaries of financial feasibility, employee compensation shall be externally competitive and internally equitable.

Reason for Regulation

This regulation provides guidance regarding compensation administration while establishing uniform compensation practices.

Procedures and Responsibilities

1. GENERAL

1.1 Total compensation includes not only direct pay but also indirect compensation including insurance and retirement benefits and time off programs. The Texas Legislature sets eligibility requirements for these benefits and programs based on the definition of regular employee. A regular employee is defined as working in a budgeted position at 50 percent effort (20 hours a week) or more for at least four and one-half months, excluding students employed in positions that require student status as a condition for employment. Specific eligibility requirements for various programs appear in the appropriate policies and regulations.

1.2 Position Categories

The system categorizes positions into the following groups:

- (a) Board of Regents (board)-appointed positions are those specific positions identified in System Policy *01.03, Appointing Power and Terms and Conditions of Employment*, as requiring appointment by the board.

- (b) Academic positions are traditional faculty positions, the occupants of which either have been granted tenure or are on the established tenure track, plus other faculty equivalent positions (such as lecturer, instructor, visiting professor, teaching assistant, etc.) that are paid from funds budgeted for teaching salaries and whose duties include the teaching of academic courses for credit or the direction of such teaching.
- (c) Research and extension positions involve the performance of research and/or extension (including extension teaching) responsibilities at a professional level, including positions charged with directing such activities. This category may include positions with traditional faculty titles and unique title codes to differentiate them from similarly titled positions in the academic category.
- (d) Professional and administration positions have a high degree of executive, professional and/or administrative responsibility, as those terms are defined in the Fair Labor Standards Act (FLSA), and typically meet the FLSA job duties test for exemption. Positions in this category generally require a baccalaureate degree or the equivalent combination of education and experience.
- (e) Support, technical and service positions involve the performance of staff support, clerical, craft, trades, technical, maintenance or service activities or, as a primary responsibility, the direct supervision of individuals performing such activities. Most, but not all, of these positions are nonexempt under FLSA standards.
- (f) Special category positions are those that, because of their unique organizational placement, function or other characteristics, clearly do not fit any of the five preceding categories of employment.
- (g) Wage positions are temporary positions that do not appear in the budget and are funded from a lump-sum budget category. These positions are of two types:
 - (1) Student wage positions require student status as a condition of employment.
 - (2) Other wage positions are created to accommodate temporary labor needs and can be given a title from any of the major categories noted above.

1.3 Terminology

- 1.3.1 Promotion – When an individual moves from one position to another position requiring higher qualifications, a higher rate of pay and a title change.
- 1.3.2 Demotion – When an individual moves from one position to another position having a lower pay range and/or less senior title requiring less education, experience and responsibility.
- 1.3.3 Reclassification/Re-evaluation – When the job duties of a position are re-evaluated and the position is assigned to a new classification. A position that is re-evaluated may be assigned a lower or higher salary range and/or title. In such cases, the

position occupant will concurrently be judged to have been promoted, demoted and/or re-titled.

1.3.4 Transfer – When an individual moves from one position to another, both of which are assigned the same salary range, title or organizational level.

1.4 Salary Actions

1.4.1 Across-the-board increase – When uniform salary increases are granted within prescribed guidelines, usually by legislative enactment, without regard to individual merit of employees.

1.4.2 Merit salary increase – An increase granted to an individual in recognition of meritorious job performance, as recorded in a formal and documented performance appraisal process (See System Regulation 33.99.03, *Performance Evaluations for Nonfaculty Employees*). The annual performance evaluation is required and should be a factor along with other criteria established by each member for any decision concerning the award of a merit increase. Merit increases are governed by System Regulation 31.01.08, *Merit Salary Increases*.

1.4.3 Equity adjustment – A salary adjustment made for the purpose of establishing a fairer and more comparable relationship between the salaries of two or more employees in the same job title or grade relative to experience, education and/or certification. Requests for equity adjustments should include documentation justifying the increase and indicating the source of funding.

1.4.4 Market adjustment – A salary increase granted to establish equity/competitiveness with salaries paid in the relevant labor market, as documented by approved survey data.

2. NON-DISCRETIONARY COMPENSATION

2.1 Minimum Wage – The system will establish wage rates in compliance with federal and state minimum wage regulations. See System Regulation 31.01.02, *Fair Labor Standards*.

2.2 Hazardous Duty Pay and Longevity Pay – State employees are eligible for hazardous duty and longevity pay in accordance with System Regulation 31.01.04, *Longevity and Hazardous Duty Pay*.

2.3 Benefit Replacement Pay

2.3.1 Individuals who were employees of the state of Texas on August 31, 1995, became eligible for Benefit Replacement Pay (BRP). Those hired after August 31, 1995, are not eligible for BRP unless they were working for the state on August 31, 1995, and have not had a break in service of more than 30 consecutive days since that date.

- 2.3.2 BRP replaced a state benefit that paid 5.85% of the first \$16,500 of income as a Social Security tax supplement. It was a one-time increase to base pay that occurred in January 1996. BRP is based on each employee's October 31, 1995, pay and includes an additional amount to cover the increased Teacher Retirement or Optional Retirement program contribution required by the increased pay.
- 2.3.3 When a BRP-eligible employee is hired or promoted, the offer or promotion letter should state that the salary offered includes the employee's BRP and the payroll document should document that BRP is included in the salary.
- 2.3.4 Each member should document whether BRP is included at the minimum rate of a new range or BRP will be added to the minimum rate for eligible employees.
- 2.3.5 Employee Payroll Actions (EPA) for new hires, transfers or promotions should state that the salary includes BRP or that the employee is ineligible for BRP.
- 2.3.6 Once BRP has been added to an employee's salary, it should not be deducted from the FTE rate as periods of appointment are extended or reduced. Likewise, terminal vacation pay calculations should be based on the FTE rate of pay, including BRP, in the last vacation-accruing position held by the employee.

3. AUTHORITY TO SET SALARIES AND WAGES

- 3.1 System Policy *01.03* details the authority of the board, chancellor and member chief executive officers (CEO) regarding appointments and compensation.
- 3.2 Regular positions in the position identification database specify the authorized salary for each position of employment with occupant name as appropriate. Temporary and seasonal salaries are budgeted by lump-sum allocations to budgetary units and such positions appear in the position identification database as wage position identification numbers (PINs). Members may include selected positions not meeting the definition of a regular employee as line items in the budget, if permitted in system budgeting procedures.
- 3.3 Each CEO or designee may create additional positions and increase the operating budget of the member from savings, income in excess of the budget estimate, and other sources. Under this authority, personnel/budget actions may be processed during the fiscal year to add new positions or to amend the title, salary and other elements of a position. Approval of new staff titles not requiring approval by the board must follow the process outlined in Section 4.
- 3.4 The salary of a tenured faculty member who returns to the faculty after serving in an administrative position will be adjusted to an amount that does not exceed the salaries of other persons with similar qualifications and performing similar duties.
- 3.5 The rate of salary paid an employee during a summer session will not exceed the salary rate paid the employee for the same or similar services during the preceding long session.

- 3.6 State law prohibits retroactive salary increases. However, when a document approving a salary increase is signed by an individual authorized to approve salary increases, the increase may be effective retroactive to the first day of the pay period in which the final approval was completed.
- 3.7 Any position to be used or individual expected to work for four and one-half months at 50 percent or more effort must be placed in the position identification database as a nonwage position identification number (PIN) and assigned a five-digit PIN.
- 3.8 When a full-time nonfaculty employee is approved to teach a class during normal work hours, the individual's salary will not be increased, but will be offset by teaching funds proportionate to the time required for this activity. If the course is taught after normal working hours, additional compensation may be received.
- 3.9 The base salary of a full-time employee shall not be increased by virtue of funding from a grant or contract. In such cases, the salary will be funded in accordance with the portion of time spent on assigned duties.
- 3.10 When an individual is given a salary increase for a temporary assignment involving additional workload or responsibility, the salary will be reduced by a like amount when the assignment is completed.

4. COMPENSATION ADMINISTRATION

- 4.1 A single comprehensive systemwide pay plan will be established and maintained for all members including all positions except existing member board-appointed positions; faculty administrator and faculty-equivalent positions, as defined by each member; key administrator positions; certain key staff positions identified by the member and approved by the pay plan administrator; positions which require student status as a condition of employment; or other classifications as determined by the chancellor. Salaries for positions excluded from the systemwide pay plan are established by the member's CEO or designee and are based on multiple factors, which may include, but are not limited to, performance, complexity of work, education and professional experience required for the position, scope of responsibility, and salaries of those in similar positions at comparable higher education institutions or agencies.
- 4.2 Each member CEO or designee shall establish and communicate salary administration guidelines for all categories of positions. These guidelines should address internal equity, objective and fair treatment, competitiveness with the appropriate external markets, and compliance with appropriate federal and state laws.
- 4.3 Titles within the systemwide pay plan will be assigned a job family and placed in a pay grade with established salary ranges to include a minimum, midpoint and maximum salary. Employees occupying these positions, whether budgeted or wage, should be paid within the established pay range. For implementation of the systemwide pay plan, each CEO or designee will determine the effective date in which pay increases to the pay grade minimum rates are implemented. The CEO or designee is authorized to approve an employee's salary that may exceed the maximum of the established pay grade.

- 4.4 A committee chaired by the pay plan administrator will oversee and approve new job titles, job descriptions and lead efforts for conducting pay plan reviews to include consistency for ongoing job standardization.
- 4.5 The pay plan administration committee consists of nine individuals representing four geographical areas as outlined below. Each group within the geographical area will decide which human resources officer or designee will be its representative.
- (a) College Station – Texas A&M University, Texas A&M University Health Science Center, System Offices, and Texas A&M University at Galveston (two members). Texas A&M AgriLife Research, Texas A&M AgriLife Extension Service, Texas A&M Forest Service and Texas A&M Veterinary Medical Diagnostic Laboratory (one member). Texas A&M Engineering Experiment Station, Texas A&M Engineering Extension Service and Texas A&M Transportation Institute. (one member);
 - (b) South Texas – Texas A&M University-Corpus Christi and Texas A&M University-Kingsville (one member). Texas A&M University-San Antonio and Texas A&M International University (one member);
 - (c) Central Texas – Prairie View A&M University and Texas A&M University-Central Texas (one member);
 - (d) North/West – West Texas A&M University and Tarleton State University (one member), Texas A&M University-Commerce and Texas A&M University-Texarkana (one member).
- 4.6 The pay plan administration committee, who will establish uniform governing standards and procedures to maintain consistency in the implementation of the pay plan, will participate in decisions and recommendations regarding the systemwide pay plan, recognizing the responsibility to all members of timely responses and commitment to the integrity of the systemwide pay plan.
- 4.7 The pay plan administrator will oversee the pay plan administration committee and will be responsible for functions including, but not limited to:
- (a) establishing uniform guidelines for the submission of documents, forms and new or changed titles and position justifications to ensure consistent and equitable implementation of the pay plan;
 - (b) approving new job titles and related job descriptions including minimum requirements;
 - (c) approving changes to or assigning new pay grades and addressing the removal of unused titles;
 - (d) updating the systemwide pay plan salary structure(s) including geographical considerations;
 - (e) performing market data research to update pay grade assignments every two years or as often as necessary; and

- (f) evaluating each member's request with respect to the factors in Section 4.1 and ensuring that the requested position is not a duplicate or a near duplicate of a position currently in the systemwide pay plan.
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Related Statutes, Policies or Requirements

[System Policy 01.03, *Appointing Power and Terms and Conditions of Employment*](#)

[System Regulation 31.01.02, *Fair Labor Standards*](#)

[System Regulation 31.01.04, *Longevity and Hazardous Duty Pay*](#)

[System Regulation 31.01.08, *Merit Salary Increases*](#)

[System Regulation 33.99.03, *Performance Evaluations for Nonfaculty Employees*](#)

Member Rule Requirements

A rule is not required to supplement this regulation.

Contact Office

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