07-09.10 – SALARY INCREASES/ADJUSTMENTS AND BONUSES FOR REGULAR EMPLOYEES

I. Policy Statement: This procedure allows Towson University to administer salary increases to regular non-exempt and exempt employees for reasons of cost-of-living adjustments (COLA); performance based salary increases; salary structure adjustments; completion of probationary period; reclassification, within range adjustments, selective salary adjustments, and promotion. This procedure also establishes the timing and basis for granting multiple adjustment increases and non-cumulative cash bonuses.


III. Responsible Executive and Office:
Responsible Executive: Associate Vice President for Human Resources
Responsible Office: Office of Human Resources

IV. Entities Affected by this Policy: All divisions, colleges, departments and operating units; all Towson University regular employees.

V. Procedures:
A. General

1. All salary increases are based on the availability of funding. Funding for cost-of-living adjustments (COLA) is appropriated by the State Legislature. The University System of Maryland’s Chancellor’s Office provides the direction on annual salary increases based on performance and salary structure adjustments.
2. Unless otherwise provided by the University System of Maryland (“USM”) policy, employees whose salary exceeds the maximum of the pay range for their job classification are eligible for COLA increases only.

3. When two or more pay transactions are to occur simultaneously, the order of calculation shall be: first, salary structure adjustment*, if involved; second, salary range adjustment*, if involved; and third, any other transaction such as promotion, reclass, etc. * See explanation herein.

B. Salary Increases

1. COLA (Cost-of-Living Adjustments)
   a. All regular employees shall receive COLA adjustments as appropriated by the State Legislature.
   b. These salary increases are normally effective on July 1.

C. Performance Based Salary Increase (Merit)

1. In accordance with Towson University’s Employee Performance Review guidelines, regular employees shall receive performance-based salary increases if they consistently meet the standards of performance for their positions. These salary increases are normally effective on July 1. All Performance Based Salary Increases are based upon funding availability.

2. Performance Based Salary Increases shall be administered as follows:

   a. Regular Non-Exempt Employees

      i. Employee shall receive a 2.5% adjustment in salary if he/she has completed an original probation period and his/her performance evaluation meets standards.

      ii. An employee may be eligible for up to an additional 2.5% increase in salary if his/her performance is evaluated as outstanding on an overall basis throughout the evaluation period.

      iii. An employee’s salary shall not exceed the maximum of the pay range for his/her classification.
b. Regular Exempt Employees

i. Employee who consistently meets the standards of performance for his/her position shall receive a performance-based salary increase.

ii. An employee’s salary shall not exceed the maximum of the pay range for his/her classification.

D. Salary Structure Adjustment

1. If the Non-exempt and/or Exempt Salary Structures are adjusted by the USM Board of Regents, the University shall adjust the salary of the employees affected.

a. Increase in Pay Range

i. When the pay range of a job is changed to show a higher minimum salary, the salary for any incumbent below the new minimum will be moved to the new minimum of the pay range for his/her respective job class.

ii. The salaries of employees in that job classification which fall between the minimum and maximum of the former pay range may be adjusted in some stated proportion to the change in the minimum and maximum salaries of the pay range. Such proportion, if any, will be determined for non-exempt employees by the USM Board of Regents, and by the University’s President for exempt employees. Any such action is applicable to all job classifications affected by an increase in that pay range.

b. Decrease in Salary Range

i. In the event that the salary range of a job classification is changed to a new salary range that has a lower maximum salary, any incumbents whose salary is above the new maximum will not experience a reduction in salary.
E. Completion of Probationary Period for Regular Non-Exempt Employees

1. Non-exempt employees shall receive a 2.5% salary increase if they successfully complete an original or promotional probationary period.

2. An employee’s salary shall not exceed the maximum of the pay range for his/her classification.

F. Reclassification

1. Only in the case of a promotional reclassification is a regular non-exempt employee eligible for a salary increase.

2. Any salary increase related to a promotional reclassification must be in accordance with Towson University’s Policy # Job Reclassifications and Towson University’s Resource Planning and Allocation Process Manual (contact Department/Divisional Budget Managers).
   a. If a salary increase is approved, an employee’s salary shall not be below the minimum nor exceed the maximum of the pay range for his/her targeted classification.
   b. The funding for a salary adjustment as a result of a job reclassification is the responsibility of the employee’s department.

G. Promotion

1. Regular non-exempt and exempt employees shall receive a promotional salary increase when they move from one position to another position of a different classification, which has a higher range prescribed, and there is a change in the Position Information Number (PIN).

2. Any salary increase related to a promotion must be in accordance with Towson University’s Policy # Regular Employee Promotions and Towson University’s Resource Planning and Allocation Process Manual.
   a. If a salary increase is approved, an employee’s salary shall not be below the minimum nor exceed the maximum of the pay range for his/her targeted classification.
b. The funding for a salary adjustment as a result of a job reclassification is the responsibility of the employee’s department.

H. Within Range Salary Adjustment (Non-exempt Employees Only)

1. The salary of a non-exempt employee who is in a “hot job” may be adjusted at any time to meet documented critical business needs (e.g., massive turnover, market driven, supply/demand). Hot jobs are those positions that have been determined to be critical, at the institutional level, to achieve its mission. Written justification for the adjustment including a statement affirming that no other University employee within the same classification will be negatively impacted by the request must be submitted to the Office of Human Resources (“OHR”). Once approved by the OHR, the request shall be approved from the Divisional Vice President, Budget Office and the University System of Maryland’s Office of Human Resources.

2. The university’s President or his/her designee may authorize a salary that exceeds the maximum of the pay range in order to accommodate a Within Range Salary Adjustment. Any such authorization shall be done in consultation with the University System of Maryland Office of Human Resources.

3. Within Range Adjustments are not to be used as a vehicle to provide salary changes to employees other than those intended for the recruitment and retention of employees in “hot jobs.” Other salary actions shall take place during the regular budget/merit consideration timeframe or within the existing reclassification process.

I. Selective Salary Adjustments (Regular Exempt Employees Only)

1. An exempt employee’s salary may be adjusted at any time to meet documented critical business needs (e.g., massive turnover, market driven, supply/demand). A Selective Salary Adjustment shall not be granted for reasons related to performance appraisals. The requesting department shall submit to the OHR a written request providing justification for the adjustment and approval from the Divisional Vice President. The OHR will take appropriate action.

2. A Selective Salary Adjustment shall take into consideration market data, internal job value, and individual pay. The salary increase shall not exceed the percentage specified in the Chancellor’s Salary Guidelines (contact OHR) without the approval of the
University’s President and being reported to the Chancellor’s Office.

J. Non-Cumulative Cash Bonuses

1. A bonus is defined as a one-time lump sum non-cumulative cash award that may be granted to a regular employee for an extraordinary contribution, which substantially benefits the University. Bonus payments shall not be considered part of the employee’s base salary.

2. The bonus pool shall be determined within the guidelines established by the Chancellor as part of the annual salary review process. The University’s President or designee shall establish criteria for bonus eligibility, review and approval, and amount of bonus awards.

K. Procedures

1. Departments considering a salary increase for an employee shall contact the OHR prior to any discussion with the employee. A memo of justification including market data shall accompany a request. The OHR shall provide confirmation of salary and take appropriate action.

2. Approvals from the University’s President or his/her designee are required on all salary increases.

Related Policies: USM Policy VII-9.01
USM Policy VII-9.10
USM Policy VII-9.20
USM Policy VII-9.40
TU Policy 07-
TU Policy 07-
TU Policy 07-

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