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EAST TENNESSEE STATE  
UNIVERSITY

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## **Staff Compensation**

# **Policy Name: Staff Compensation Policy**

## **Policy Purpose**

This policy specifies and establishes the ETSU staff compensation program, which will provide a fair, flexible, and competitive staff compensation program that supports efforts to attract, retain, and reward high-performing employees at all levels in accordance with university policy. Faculty compensation is governed by a separate process and is not subject to this policy.

## **Applicability**

This policy applies to staff employees.

## **Responsible Official, Office, and Interpretation**

The Assistant Vice President for Human Resources is responsible for reviewing and revising this policy. For questions about this policy, please contact the Office of Human Resources. The Chief Operating Officer, in consultation with the President, has the final authority to interpret this policy.

## **Defined Terms**

***A defined term has a specific meaning within the context of this policy.***

### Call-back Pay

Compensation to non-exempt employees who respond to calls to resume work after having completed their shift and having left the worksite.

### Demotion

When a current employee moves to a position in a lower market range.

### Exempt Employee

Employees who are ineligible for overtime pay and compensatory time per the provisions in the Fair Labor Standards Act and ETSU policy.

### In-Range Adjustment

An increase in an employee's pay within the employee's current market range.

### Lateral Transfer

When a current employee moves to a position in the same market range.

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## Market-Based

A pay structure framework designed to set employee salaries based on the prevailing rates for similar roles in the job market by analyzing salary data from comparable companies in the same industry, geographic region, and of similar size.

## Market Range/Market Reference Range

A salary range that is a result of a culmination of salary data gathered from similar positions in the external market.

## Non-exempt Employee

Employees who are eligible for overtime pay or compensatory time according to the provisions of the Fair Labor Standards Act.

## On-call Pay

Pay non-exempt employees receive when they are required to maintain their availability after hours and be on-call to return to work or to otherwise be available to respond to emergency situations.

## Promotion

When a current employee moves to a position with a higher market range, typically through a competitive search process.

## Reclassification

A reassignment of a position to a different job family, role, level, and/or market range.

## Shift Differentials

An option to compensate non-exempt employees who are in positions that are assigned regularly scheduled evening, night, and/or weekend shifts.

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## **Policy**

### **1. Compensation.**

The university's pay structure is the framework for managing compensation competitively through Market-Based pay ranges for university staff positions. Each Market Range consists of an entry salary, midpoint salary, and maximum salary reflecting appropriate Market-Based pay parameters. Market Ranges are designed to accommodate a broad range of relevant education, skills, competencies, experiences, contributions, and performance levels.

#### **1.1. Salary Analysis Process.**

A salary analysis must be conducted to determine appropriate, fair, and impartial review of pay when the individual: (1) is first offered a position; (2) changes positions; (3) holds a position that undergoes a job reclassification; or (4) will receive an in-range salary adjustment. All salary analyses must be conducted by the Office of Human Resources in accordance with this policy.

#### **1.2. Starting Pay.**

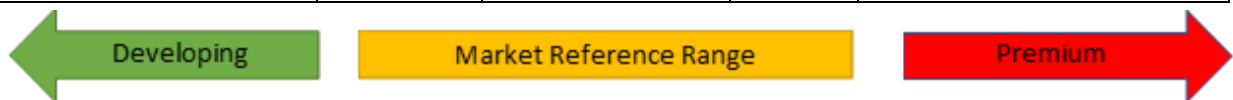
When an offer of employment is made, an employee's starting pay will be at least the entry salary for the position's market range, unless prohibited by extramural funding restrictions. Starting pay exceeding the maximum of the market range should only occur in extraordinary circumstances and must be reviewed and approved by the Vice President to whom the unit reports and the Office of Human Resources in accordance with this policy.

A salary analysis must be done to determine an appropriate, fair, and impartial salary for employees newly hired or rehired with the University. At the time the offer of employment is made, the rate of pay will be recommended by the supervisor using the guidelines in the chart below. The Office of Human Resources will review the recommendation and relevant market data before approving the employee's salary offer.

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## Market Reference Range Chart

1 <sup>st</sup> Quartile	2 <sup>nd</sup> Quartile	3 <sup>rd</sup> Quartile	4 <sup>th</sup> Quartile
Entry level salary for a minimally qualified candidate who is comparatively less experienced and is developing their skills, abilities, and knowledge in the field.	Effectively performs all duties and responsibilities of the position and has a proven record of accomplishment in their field. Demonstrates aptitude for advanced level and long-term promise.		Highly experienced professional with substantive experience. Possesses skills, competencies, and capabilities well beyond the minimum requirements of the position.
Typical zone for individual with little/or no experience at present level in similar organization/institution.	Typical zone for individuals experienced in most job responsibilities. Individuals with extensive direct job experience should be higher in the range.		Rarely appropriate as a zone for a starting salary.
Entry Salary Point	25%	50% or Midpoint	75%
			Maximum



Note: The Market Reference Range is a salary range that is a result of a culmination of salary data gathered from like positions in the external market. For example, a department may hire a candidate with little to no experience at a salary within the first quartile or may hire a candidate with exceptional or extraordinary experience in the fourth quartile.

### 1.3. Salary Adjustments.

A salary adjustment is an adjustment to the base salary of a position for one of the reasons described below. The Office of Human Resources will consult with the appropriate Vice President, and review and approve all requests for salary adjustments to ensure compliance with university policies and ensure fair, reasonable, and impartial standards are applied throughout the University.

#### 1.3.1. Promotion.

A promotion occurs when a current employee moves to a position with a higher market range typically through a competitive search process. Pay will be adjusted to reflect at least the entry salary of the new market range of the new position but may go up to the midpoint of the new market range. The increase may not be less than an 8% increase.

#### 1.3.2. Demotion.

A demotion occurs when a current employee moves to a position in a lower market range, whether voluntarily or involuntarily. Pay will be adjusted to reflect the midpoint of the market range of the new position. A demotion may not occur without

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first consulting with the Office of Human Resources.

### **1.3.3. Lateral transfer.**

A lateral transfer occurs when a current employee moves to a position in the same market range. Lateral transfers do not require a pay change; however, if a salary analysis supports a change, the request must be reviewed and approved by the Office of Human Resources in consultation with the appropriate Vice President and in accordance with this policy.

### **1.3.4. Reclassification.**

A reclassification is a reassignment of a position to a different job family, role, level, and/or market range. Reclassifications occur from an ongoing, substantive change of a position's current duties. If the reclassification results in the employee's reassignment to a lower market range, pay adjustments follow guidelines for demotions. If the reclassification results in the employee's reassignment to a different job family, role, and/or level with the same market range, pay adjustments follow guidelines for lateral transfers. If the reclassification results in the employee's reassignment to a position into a higher market range, pay adjustments follow guidelines for promotions.

### **1.3.5. In-range Adjustment.**

An in-range adjustment is an increase in an employee's pay within the employee's current Market Range. In-range adjustment requests must be submitted to the Office of Human Resources. The Office of Human Resources will conduct a classification and salary analysis to ensure the position is in the correct job family. For employees to be eligible for in-range adjustment, they must have an evaluation scored at "Meets Expectations" or above on their most recent performance review, and the evaluation must have occurred within the past twelve months. In-range adjustments may be requested for the following reasons.

### **1.3.6. Change in duties.**

Employees may be granted an in-range adjustment to compensate for substantive on-going changes in duties, accountabilities and responsibilities as documented in the position description, but not substantial enough to justify a higher market range through reclassification. An updated position description must accompany a request for an in-range adjustment for change in duties. The Office of Human Resources will review the description to ensure the position is appropriately classified. If the change in duties is for a limited time, a temporary pay increase for additional duties may be applied according to the supplemental pay section of this policy.

### **1.3.7. Professional/Skill Development.**

An increase may be granted for employees who apply new knowledge and skills that

**Policy Initial Effective Date:** TBR policy • **Policy Revised Effective Date:** 07.01.25  
**Procedures Initial Effective Date:** N/A • **Procedures Revised Effective Date:** N/A

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are beneficial to the university and are acquired through job-related training,

education, certification, and/or licensure. Increases for passing the CAP exam are covered under the [Certified Administrative Professional \(CAP\) Examination policy](#). The Office of Human Resources, in consultation with the appropriate Vice President, will review and approve the request for an increase to base salary for professional/skill development, ensuring the increase is appropriate for the position and in-line with other salaries within the unit.

### **1.3.8. Internal alignment.**

An increase may be granted to align an employee's salary more closely with those of other employees within the university/unit who have comparable levels of education, training and experience, similar duties and responsibilities, similar performance and expertise, competencies, and/or knowledge and skills, or to differentiate an employee who has exceptional qualifications or skills. The Office of Human Resources, in consultation with the appropriate Vice President, will review and approve retention increases to the base salary, ensuring internal fairness within the unit.

### **1.3.9. Retention.**

A pro-active pay practice that grants flexibility to adjust salaries for retention. An in-range adjustment for retention may be granted for employees when salaries have not been competitive with the external market. The Office of Human Resources, in consultation with the appropriate Vice President, will review and approve retention increases to the base salary, ensuring equity within the unit.

### **1.3.10. Counteroffer.**

A counteroffer may be provided to an employee who is deemed critical to the university's mission and on-going operations when the employee receives a job offer from another employer, outside of the university, to perform a position of similar scope and responsibility. Adjustments for considering a counteroffer will include salary analysis in accordance with this policy and university procedures to assess the impact on internal alignment, the criticality of retaining the employee, the impact on operations if the employee separates and the difficulty in recruiting to replace the employee. The Office of Human Resources, in consultation with the appropriate Vice President, will review and approve counteroffer increases to the base salary, ensuring fairness within the unit to the extent possible, recognizing that situations may require action irrespective of fairness.

## **2. Supplemental or Non-Base Pay Practices.**

Supplemental or non-base pay practices allow units to provide one-time or ongoing payments to an employee without making a change to the base salary. These should be used to reward one-time or short-term accomplishment or changes to a position. The Office of

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Human Resources, in consultation with the appropriate Vice President, will review all requests for supplemental or non-base pay to ensure compliance with university policies and to maintain internal equity throughout the university. Stipends will be reviewed on an annual basis and must move through a review and approval process before they can be renewed.

### 2.1. Bonuses.

Bonuses allow flexibility to provide additional compensation to employees without adjusting employees' base pay. Bonuses offer an option when a lump-sum payment is more appropriate than a base adjustment or when due to budget constraints, the university can fund non-base adjustments in lieu of on-going base adjustments. ETSU may authorize one or more the bonuses listed below during an employee's employment.

#### 2.1.1. Longevity.

Longevity bonuses are determined by the [ETSU Longevity Pay policy](#).

#### 2.1.2. Incentive.

Incentive bonuses may be offered to an employee and must be documented as part of the individual's employment agreement and kept on file with the Office of Human Resources. Incentive bonuses must be part of a documented incentive plan reviewed by Human Resources and General Counsel.

#### 2.1.3. Professional/Skill Development.

In some cases, a bonus in lieu of a base salary increase may be granted to recognize achievements and/or skill development. The professional/skill development must be related to position and a one-time payment should be appropriate.

#### 2.1.4. Retention.

A retention bonus rewards employees for remaining at the institution for a defined period of time. Retention bonuses may be offered to an employee and must be documented as part of the individual's employment agreement and kept on file with the Office of Human Resources.

#### 2.1.5. Recognition.

Rewards employees for significant accomplishment.

#### 2.1.6. Signing.

To encourage individuals to accept employment in specific critical positions, a signing bonus may be offered to an employee a formal agreement, which includes requirements for satisfactory performance and duration of employment must be executed with each employee outlining payback terms if the agreement is not met.

**Policy Initial Effective Date:** TBR policy • **Policy Revised Effective Date:** 07.01.25  
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The Offices of Human Resources and General Counsel should review all agreements.

### **2.1.7. Performance.**

A performance bonus rewards an employee for meeting clearly defined performance goals, metrics, or other deliverables. These should be documented and reviewed by Human Resources and placed in the employee's personnel file.

### **2.1.8. Other bonuses.**

Must be reviewed and approved by the Office of Human Resources before routing through the normal approval process.

## **2.2. Shift Differentials.**

Shift differentials are an option to compensate non-exempt employees who are in positions that are assigned regularly scheduled evening, night and/or weekend shifts. When departments determine that staffing needs require shift differentials, the Office of Human Resources will work with department administrators and business managers to design shift differential rates. The following guidelines apply to shift differentials: (1) shift differentials are extra compensation applied to the base rate per hour; and (2) a change in shift will result in loss of or change to the shift differential.

## **2.3. On-call Pay.**

On-call situations occur when non-exempt employees are required to maintain their availability after hours and be on-call to return to work or to otherwise be available to respond to emergency situations. When departments determine that staffing needs require on-call pay, the Office of Human Resources will work with department administrators and business managers to design on-call pay guidelines consistent with the following:

- 2.3.1. The employee shall be notified in writing that the essential functions of their position require the employee to maintain an on-call status on either an intermittent or regularly scheduled basis
- 2.3.2. A schedule of the dates and times the employee must be on call shall be provided to the employee.
- 2.3.3. Unless otherwise advised, the employee is not required to remain on the premises while on-call. The employee must be available and respond and/or report within the specified time according to university procedures. If an employee must remain on the premises, they will record hours worked, which may result in overtime pay in accordance with the [Compensatory and Worked Holiday policy](#).

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- 2.3.4. If an emergency requires the employee to return to work, the employee must do so within the specified time, and the employee will be eligible for the guaranteed number of hours for call-back pay or actual hours worked, whichever is greater, in lieu of the on-call pay. An employee may not receive on-call pay and regular pay for the same period.
- 2.3.5. The employee is not required to restrict their activities while on-call, but the employee must remain able to perform the job duties safely and effectively.
- 2.3.6. Employees who fail to respond when called, who fail to notify the supervisor in advance when unavailable while on-call, or who are incapacitated or incapable of doing the work when called may be subject to disciplinary action.

### **2.4. Call-back Pay.**

Call-back pay compensates non-exempt employees who respond to calls to resume work after having completed their shift and having left the worksite. This applies to employees who must return to work or work remotely. The Office of Human Resources will work with department administrators and business managers to design call-back pay guidelines consistent with the following:

- 2.4.1. The employee who has completed work and is subsequently required to return to work outside of the employee's regular work hours as the result of an emergency receives either a predetermined minimum number of hours of pay or pay for the number of hours worked, whichever is greater.
- 2.4.2. Call-back pay does not apply when an employee is told of the need to remain at work before the end of a scheduled shift or when scheduled for pre-planned work outside of normal working hours.
- 2.4.3. If an emergency requires the employee to return to work, the employee must do so within the specified time and the employee will be eligible for the guaranteed number of hours for call-back pay or actual hours worked, whichever is greater, in lieu of the on-call pay. An employee may not receive on-call pay and regular pay for the same period.
- 2.4.4. Employees who fail to respond when called, who fail to notify the supervisor in advance when unavailable while on-call, or who are incapacitated or incapable of doing the work when called may be subject to disciplinary action.

### **2.5. Temporary or Administrative Assignment.**

The university may provide temporary pay to a regular employee who is assigned temporary duties on an interim basis, or for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher-level position. The following rules apply to temporary assignments:

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- 2.5.1. The assignment must be for at least 30 days and a maximum of 12 months, unless otherwise approved by Human Resources.
- 2.5.2. The employee designated for an interim assignment must assume most of the responsibilities of the interim position. Interim assignments occur when an incumbent resigns, retires or is absent due to illness, reassignment, or leave of absence. Interim assignments will not be approved while an incumbent is on vacation, regardless of the length of time.
- 2.5.3. The amount of temporary increase must be determined in consultation with Human Resources.
- 2.5.4. The department head will provide written confirmation of the approved terms of the temporary assignment to the employee, a copy of which will be forwarded to Human Resources for the employee's personnel file.
- 2.5.5. Upon completion of the temporary assignment, the temporary increase will be removed.

### **2.6. Additional Assignment Pay.**

An employee may be requested to render a particular service for another unit in the university and/or to perform duties that are outside the scope of the employee's primary role. Examples include, but are not limited to:

- 2.6.1. Presentations at conferences or workshops administered by a university department other than the employee's department.
- 2.6.2. Providing services to the university that are not part of the employee's regular duties, such as translating a document, conducting analysis, or performing at a campus event.
- 2.6.3. During the academic term, non-exempt/exempt employees may be asked to teach courses in addition to their regularly scheduled workload. These should be handled as an additional assignment.

It is the joint responsibility of the employee and their immediate supervisor to ensure that the additional assignment responsibilities do not detract from the performance of the employee in their primary position. The employee, the employee's regular supervisor and an appropriate supervisor in the receiving department must agree, in advance, to the terms of the work assignment in writing, and the documentation must be on file in the employee's personnel file in Human Resources.

Such assignments are intended to be temporary and not ongoing staffing obligations.

Additional Assignment Pay is subject to the following rules:

**Policy Initial Effective Date:** TBR policy • **Policy Revised Effective Date:** 07.01.25  
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### **2.6.3.1. Exempt Staff.**

Additional assignment pay for Exempt Employees is either a lump-sum payment (for assignments lasting less than 4 months) or a recurring payment (for assignments lasting 4 months or more). Additional assignments must be performed outside the employee's work schedule, annual leave must be taken, or a flexible work schedule should be in place. Adjustments to the work schedule must be approved by the supervisor or unit head. Additional assignment pay will be calculated using the employee's base salary for services which are consistent with their regular job duties but are being performed for another department. Services which are not consistent with an employee's regular job duties may be paid using an alternative rate. This rate must be supported by market data or other supporting evidence and approved by the Office of Human Resources, in consultation with the appropriate Vice President. This supporting data should be included with any related workflows.

Additional assignments chargeable to federally sponsored projects must comply with the parameters of the grant. Prior approval from the granting agency may be required.

### **2.6.3.2. Non-Exempt Staff.**

Non-Exempt Employees performing additional assignments are entitled to compensation for the extra effort within their job responsibilities. In all cases if the total effort exceeds the scheduled work hours in a week, the employee is entitled to compensatory time or overtime pay. When employing a non-exempt employee, the following guidelines apply:

Non-exempt employees must keep and submit a record of all hours worked, for all tasks performed. Non-exempt employees may be hired in multiple non-exempt jobs at different rates of pay without consequence providing the number of hours worked per week does not exceed 37.5 hours. The [Compensatory Time and Worked Holiday policy](#) provides additional guidance on overtime compensation for non-exempt employees.

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### **Procedures**

Procedures for specific compensation changes are outlined on the Office of Human Resources website or embedded in the appropriate system.

### **Applicable Forms and Websites**

[Office of Human Resources Compensation/Position Classification website](#)

### **Authority and Revisions**

**Authority:** TCA § 49-8-203, et seq.; Fair Labor Standards Act

**Previous Policy:** [ETSU Office of Human Resources PPP-32 Compensation Plan](#)

The ETSU Board of Trustees is charged with policy making pursuant to TCA § 49-8-203, et seq. On March 24, 2017, the Board delegated its authority to ETSU's President to establish certain policies and procedures for educational program and other operations of the University, including this policy. The delegation of authority and required process for revision to this policy can be found on the [Policy Development and Rule Making Policy webpage](#).

To suggest a revision to this policy, please contact the responsible official indicated in this policy. Before a substantive change to the policy section may take effect, the requested changes must be: (1) approved by the responsible office; (2) reviewed by the Office of University Counsel for legal sufficiency; (3) posted for public comment; (4) approved by either Academic Council or University Council; and (5) approved by ETSU's President.