

Applies to: Staff

(Staff who are members of a bargaining unit and are covered by a collective bargaining agreement are included in this policy. However, when this policy conflicts with specific terms in the applicable collective bargaining agreement, the language in the collective bargaining agreement will prevail.)

Responsible Office

Office of Human Resources

POLICY

Issued: 10/01/1973

Revised: 11/01/2022

The university promotes compensation strategies that maximize the recruitment, performance, and retention of quality staff. The Office of Human Resources Compensation (Compensation) will develop compensation that is externally competitive and internally equitable, and enables **units** to reward contribution, recognize quality performance, and encourage growth and development.

All employees will be compensated in accordance with all applicable laws and regulations, and in accordance with the [Affirmative Action and Equal Employment Opportunity policy](#).

Purpose of the Policy

To provide a uniform compensation program that results in equitable, fair, and market competitive compensation.

Definitions

Term	Definition
Base pay	The hourly rate or monthly salary paid to an employee. Base pay does not include benefits or other types of compensation (see Policy Details II Types of Compensation).
Demotion	Placement of an employee in a job classification which has decreased job responsibilities, scope, and impact, as evidenced by job title and pay range.
Incentive compensation plan	Pay that is contingent on individual or group performance and aligns individual or group performance with organizational objectives, such as completion of a special project or achievement of defined goals or targets. It may be based on short-term performance (one year or less) or long-term performance (greater than one year).
Job classification	Defines the characteristics (e.g., knowledge, skills, abilities, responsibilities, authority level and other characteristics) of a job and of any position that uses that job classification. Fair Labor Standards Act (FLSA) status (exempt or non-exempt), job family, and pay range are tied to a job classification.
Job reclassification	Occurs when, based on the results of a job evaluation, the job classification of an existing position is changed to a higher, lower, or lateral job classification.
Job evaluation	Systematic way of determining the appropriate job classification, pay range, and base pay, according to the market and in relation to other jobs in the university.
Lateral job change	Placement of an employee in a job classification that has the same or similar job responsibilities, scope, and impact, as evidenced by job title and/or pay range.
Merit process	Establishes the timing, eligibility, budget, and other administrative aspects of the annual review process and performance-based increases. These aspects may vary year-to-year.
Pay range	Based on market data, a range of pay with an identified minimum and a maximum that is assigned to a job classification.
Position description	Lists the essential job duties, scope of responsibilities, qualifications, knowledge, skills, abilities, and other characteristics for a position.
Promotion	Placement of an employee in a job classification that has increased job responsibilities, scope, and impact, as evidenced by job title and or pay range.



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Term	Definition
Unit	College or administrative unit.

Policy Details

- I. Classification of Positions
 - A. Job classifications
 1. Each staff position at the university is classified into a **job classification** that accurately reflects the position’s responsibilities, and each job classification has a corresponding **pay range**.
 2. Each staff position is classified based on the **job evaluation** process. Several considerations may be factored into the job evaluation process including but not limited to:
 - a. The **position description**, including job duties and qualifications, and
 - b. Market data.
 3. If a classified civil service employee does not pass their probationary period, and they have not engaged in serious misconduct, the employee will be returned to their former classification/position in accordance with the [Probationary Period 5.10 policy](#).
 4. Compensation administers job classifications and pay ranges and, in consultation with units, has final authority to determine job classifications and pay ranges.
 - B. Position descriptions
 1. Each position must have a position description.
 2. Units should review position descriptions annually and make updates as appropriate. Accuracy is vital, as position descriptions inform job classifications, which directly relate to pay ranges.
 - C. Job reclassifications
 1. If job duties change substantially, such that there has been a significant permanent change in the overall job, units must consult with Compensation. Based on the consultation, Compensation will make a final determination as to whether the position should be reclassified. Examples of substantial changes to job duties include:
 - a. When job duties from two or more positions are combined into one position;
 - b. When job duties beyond the scope of the position description are added by an employee’s unit leadership; and
 - c. When the frequency of tasks associated with the position description change significantly.
 2. If the determination is made that the job should be reclassified, then the job classification of an existing position may be changed to a higher, lower, or lateral job classification.
 3. A **job reclassification** will not occur in any of the following situations:
 - a. When the work volume increases or decreases but the fundamental job duties remain the same;
 - b. When the work pace increases but the fundamental job duties remain the same; or
 - c. When minor job duties are added or deleted.
 4. The effective dates for job reclassifications are determined by Compensation, in consultation with the unit.
 - D. New job classifications
 1. A new job classification may only be created when a unit demonstrates that existing job classifications do not adequately capture the essential duties and/or scope of responsibilities associated with the position.
 2. Compensation must approve the creation of all new job classifications.
- II. Types of Compensation
 - A. Base pay
 1. **Base pay** determinations for hiring, **promotion**, **lateral job changes**, and **demotions** reflect several factors including:
 - a. Required education and experience relative to the job's minimum qualifications;
 - b. Rates paid to employees in the same job classification;
 - c. Skills and prior job performance;



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- d. Credentials (e.g., licensure, certifications);
 - e. Budgetary considerations; and
 - f. Equity and market considerations.
2. Absent prior approval by Compensation, base pay for employees may not be lower than the minimum of the pay range or higher than the maximum of the pay range established by Compensation.
 3. If a classified civil service employee does not pass a probationary period as the result of a promotion or lateral change, the unit should consult with Compensation. Compensation will determine whether the employee is to be returned to the rate of pay they received in their former position or to a comparable rate of pay.
 4. Units have authority to approve base pay within the pre-defined [Staff Base Pay Approval Standards](#). Units must consult with Compensation if the desired base pay does not follow the [Staff Base Pay Approval Standards](#).

B. Incentive compensation plans

1. One-time incentive compensation plans:
 - a. Must have defined performance criteria; and
 - b. Cannot be implemented retroactively.
2. Recurring incentive compensation plans:
 - a. Must have defined performance criteria;
 - b. Recur on a yearly basis; and
 - c. Cannot be implemented retroactively.
3. For more information regarding incentive compensation plans, see [Frequently Asked Questions](#).

C. One-time cash payments

1. A one-time cash payment is a single payment to an employee that occurs in addition to their regular base pay, such as a retention bonus or bonus during critical periods such as an organizational transition. See also the [Reward and Recognition 3.15 policy](#).
2. A one-time cash payment may not be used to substitute for a merit increase, except in the circumstances described in Policy Details III.D. below.

D. Additional duty compensation

1. Any employee who is asked to render services beyond the scope of their current position must receive prior approval from their supervisor prior to rendering the requested additional services to receive additional duty compensation. Additional duty compensation is not guaranteed.
2. Only employees in exempt (salaried) job classifications are eligible for additional duty compensation.
3. Employees in non-exempt (hourly) job classifications are ineligible for additional duty compensation because they receive overtime or compensatory time off for additional work performed. (See the [Scheduling Work and Overtime Compensation 6.10 policy](#).)
4. Additional duty compensation is typically intended for short-term arrangements when an exempt employee is asked by another unit to render services outside the employee's unit. It is not intended for use as an ongoing compensation strategy.
 - a. For frequent and/or long-term situations, units should consider other options, such as using staff within the unit who may have the requisite skills, training available staff members to gain the requisite skills, or incorporating the work in the individual's position description.
 - b. When additional duty compensation is being used as an ongoing or long-term compensation strategy, units must consult with Compensation, at least annually, to review the additional duty compensation arrangement.
5. A unit must consult with Compensation for approval to provide additional compensation pay to one of its own employees prior to the employee rendering additional services within the employee's current unit.
6. The duties for which an employee receives additional duty compensation should not conflict with or reduce effectiveness of the individual's performance of primary job responsibilities.
7. If an employee is approved to render services to another unit, and the requested services are to occur during the employee's regularly scheduled hours, the employee will only be eligible to receive additional duty compensation if the employee requests and receives:



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- a. Permission from their supervisor to flex their hours to accommodate the time period when they are rendering the additional services (see the [Flexible Work 6.12 policy](#)); or
 - b. Paid time off from their regular position for the time period when they are rendering the additional services.
8. Additional duty compensation may be provided when an exempt employee renders additional services outside of the employee's regularly scheduled hours.
9. Employees whose regular work schedule is less than 40 hours and are ineligible for additional duty compensation may be eligible to hold a second position (see the [Staff Employment 4.20 policy](#)).
- E. Other compensation
1. Compensation may also be provided for long-term arrangements under specific circumstances such as:
 - a. Premium pay and pay differentials
 - b. Allowances (see [One-Time Payments and Allowance Plans](#))
 2. Interim allowance, also known as interim duty pay, may be provided when an employee is temporarily assigned to perform duties of a position with increased job responsibilities, scope, and impact, as evidenced by job title and or pay range. It is intended for use when there is a vacant position or a current employee is on a leave of absence due to sickness or disability and the duties associated with the position must continue to be performed.
 - a. An interim allowance can be for a minimum of two weeks and a maximum of 180 days, except when made necessary by reason of sickness or disability of a regular employee. In such circumstances, the interim allowance may continue for the length of sickness or disability.
 - b. Compensation must approve unit requests to extend interim allowances beyond 180 days when a unit has not filled a vacancy within that period of time.
- III. Merit Process
- A. The **merit process** is how performance-based increases are determined and implemented at the university.
 - B. Increases delivered through the merit process, if any, are based on:
 1. Related administrative guidelines, including eligibility for merit increases, which are provided each year by university leadership; and
 2. Business circumstances, which may vary from year to year.
 - C. Merit increases are awarded based on performance and relevant market considerations.
 - D. Lump-sum merit payments should be given to employees whose base pay is above the pay range maximum for their respected position in lieu of a base pay merit increase.

PROCEDURE

Issued: 10/01/1973

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- I. Classification of New Positions
 - A. A unit may initiate a new position in consultation with Compensation.
 - B. The new position procedure is as follows:
 1. The unit must obtain appropriate internal approvals from unit leadership.
 2. Once approval has been obtained from unit leadership, the unit must submit the new position description to Compensation.
 3. Compensation, using the submitted position description, will conduct a job evaluation. After consultation with the unit, Compensation will make the final determination on the appropriate job classification for the position.
 4. Compensation will determine whether an existing job classification is suitable for the new position or whether a new job classification is necessary.
 5. If a new job classification is necessary, Compensation will work with the unit to create the job classification.



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II. Reclassification of Existing Filled Positions

- A. Compensation has the discretion to initiate a review and/or job evaluation to determine whether a university position should be reclassified.
- B. A unit or staff member may initiate a request for a job reclassification or compensation review. Whether the request is for a job reclassification or a compensation review, Compensation will conduct a job evaluation following the procedure below. Requests should not be made for the same position more than once per 12-month period and must comply with the following steps:
 1. The request must be processed through the unit's HR partner.
 2. The HR partner must make a recommendation to unit leadership as to whether a reclassification is necessary.
 3. If the HR partner recommends the reclassification of a position to unit leadership and unit leadership agrees with the recommendation, the request must be sent to Compensation for review.
 4. Compensation will review the request, conduct a job evaluation, and make the final determination on whether the reclassification request will be granted.
- C. A unit must consult with their HR partner when a position's job duties have changed by 20% or more. Examples of changes to job duties that should be evaluated include:
 1. The addition of higher-level work responsibilities by unit leadership or an employee's supervisor; and
 2. The assignment of job duties not previously associated with an employee's position.
- D. When a currently filled position is reclassified, Compensation determines the effective date.
 1. Units must make necessary position changes in alignment with Compensation's effective date determination.

III. Pay Adjustments

- A. Compensation may, in consultation with units, review whether pay adjustments are necessary due to changes in job duties and/or market or equity adjustments.
- B. Effective date
 1. If Compensation determines that a pay adjustment is necessary, Compensation will determine the effective date, which will be within four weeks after the pay adjustment determination.
 2. Units must ensure any changes approved by Compensation are made by the effective date.
 3. Any pay adjustments due to job changes and market adjustments are effective on the first day of the payroll period corresponding with or immediately following the implementation date of the change.

IV. Merit Process

- A. Units make merit increase decisions, adhering to the annually published administrative guidelines applicable to their units.

V. Additional Duty Compensation

- A. Employee responsibilities
 1. Exempt employees who are asked to render additional services for another unit during their normally scheduled work hours must:
 - a. Receive their supervisor's approval prior to rendering services to another unit.
 - b. Request paid time off for the time period when the additional services will be rendered, or request to flex their scheduled working hours to accommodate the time period when the additional services will be rendered.
 2. Exempt employees who are going to render additional services for another unit outside of their normally scheduled work hours must receive prior approval from their supervisor to be eligible for additional duty compensation.
 3. Exempt employees whose regularly scheduled work hours are less than 40 hours per week, who are going to render additional services to another unit outside of their regularly scheduled hours, must receive prior approval from their supervisor to perform the work and may be eligible for additional duty compensation if another position is created.



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- 4. Exempt employees who are asked to render additional services within the employee’s current unit must receive approval from their supervisor prior to rendering the services.
- B. Unit responsibilities
 - 1. Review staff requests to perform work outside the unit and approve requests as appropriate.
 - 2. Ensure that any additional duty compensation provided to a staff member does not exceed 20% of base pay from September 1 through August 31.
 - 3. Consult with Compensation before approving any additional duty compensation amounts that exceed 20% of base pay from September 1 through August 31.
 - 4. Consult with Compensation before approving requests for staff to receive additional duty compensation for work performed within the staff member’s unit.
- C. The Office of Sponsored Programs must approve all additional duty compensation to be paid from sponsored research projects.

VI. Approval Process for Base Pay

- A. The approval process for base pay, including but not limited to promotions, demotions, or lateral position changes, is outlined in the [Staff Base Pay Approval Standards](#).
 - 1. If a classified civil service employee does not pass a probationary period as the result of a promotion or lateral change, the unit should consult with Compensation. Compensation will determine whether the employee is to be returned to the rate of pay they received in their former position or to a comparable rate of pay.

VII. Interim Allowances

- A. Units must consult with Compensation to determine whether an interim allowance, also known as interim duty pay, is appropriate.
- B. Upon agreement that an interim allowance is appropriate, Compensation will consult with the unit to determine the rate for the interim allowance.
 - 1. If an interim allowance is deemed appropriate, the typical rate is no less than five percent of the employee’s base pay, and no more than twenty percent of the employee’s base pay.

Responsibilities

Position or Office	Responsibilities
Compensation	<ul style="list-style-type: none"> 1. Develop compensation that is externally competitive and internally equitable, and enables units to reward contribution, recognize quality performance, and encourage growth and development. 2. Administer and determine job classifications and pay ranges in consultation with units. 3. Determine whether positions should be reclassified in consultation with units. 4. Determine effective dates for job reclassifications in consultation with units. 5. Approve the creation of all new job classifications. 6. Review requests for base pay lower than the minimum or higher than the maximum of the established pay range. 7. Determine rates of pay for CCS employees who do not pass their probationary periods as set forth in the policy. 8. Consult with unit regarding whether it is appropriate for a unit’s own employee to receive additional duty compensation for rendering additional services within the employee’s unit. 9. Review long-term additional duty compensation arrangements as set forth in the policy. 10. Approve unit requests to extend interim duty pay beyond 180 days when a unit has not filled a vacancy within that period of time. 11. Conduct job evaluations, using submitted position descriptions, and determine job classifications for new positions as set forth in the policy. 12. Work with units to create job classifications if new job classifications are necessary. 13. Has discretion to initiate job evaluations to determine whether university positions should be reclassified. 14. Review reclassification requests and make final determinations as set forth in the policy. 15. Determine pay adjustments, in consultation with units, and their effective dates as set forth in the policy.



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Position or Office	Responsibilities
Employee	16. Determine whether interim duty pay is appropriate in consultation with units as set forth in the policy. Obtain required approvals from their supervisor prior to rendering services beyond the scope of their current position to receive additional duty compensation as set forth in the policy.
The Office of Sponsored Programs	Approve all additional duty compensation to be paid from sponsored research projects.
Units	<ol style="list-style-type: none"> 1. Consult with Compensation regarding Compensation's administration of job classifications and pay ranges as set forth in the policy. 2. Should review position descriptions annually and make updates as appropriate. 3. Consult with Compensation if job duties change substantially, such that there has been a significant permanent change in the overall job. 4. Consult with Compensation on effective dates for job reclassifications. 5. Have authority to approve base pay within the Staff Base Pay Approval Standards. 6. Consult with Compensation if desired base pay does not follow the Staff Base Pay Approval Standards. 7. Make merit increase decisions, adhering to the annually published administrative guidelines applicable to their units. 8. May initiate a request for a job reclassification or compensation review as set forth in the policy. 9. Consult with their HRBP/HR consultant when a position's job duties have changed by 20% or more. 10. Make necessary position changes in alignment with Compensation's effective date determination when a currently filled position is reclassified. 11. Ensure any pay adjustments approved by Compensation are made by the effective date. 12. Recommend to unit leadership whether reclassifications are necessary when units or staff members make reclassification requests. 13. Review staff requests to perform work outside the unit and approve requests as appropriate. 14. Ensure that any additional duty compensation provided to a staff member does not exceed 20% of base pay from September 1 through August 31. 15. Consult with Compensation before approving any additional duty compensation amounts that exceed 20% of base pay from September 1 through August 31. 16. Consult with Compensation before approving requests for staff to receive additional duty compensation for work performed within the staff member's unit. 17. Consult with Compensation to determine whether an interim pay allowance is appropriate as set forth in the policy.
University	Promote compensation strategies that maximize the recruitment, performance, and retention of quality staff.

Resources

University Policies, policies.osu.edu

Affirmative Action & Equal Employment Opportunity, go.osu.edu/aaceo-policy

Outside Activities and Conflicts, go.osu.edu/outside-activities-policy

Paid Time Off, 6.27, hr.osu.edu/policy/policy627.pdf

Reward and Recognition, 3.15, hr.osu.edu/policy/policy315.pdf

Additional Guidance

Additional Duty Compensation Request Form, hr.osu.edu/wp-content/uploads/form-additional-duty-compensation-request.pdf

Frequently Asked Questions, hr.osu.edu/wp-content/uploads/policy310-faq.pdf

One-Time Payments and Allowance Plans, admin.resources.osu.edu/workday/workday-for-core-users-human-resources/one-time-payments-and-allowance-plans

Staff Base Pay Approval Standards, hr.osu.edu/services/compensation/tools



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Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	HR Connection	614-247-myHR (6947)	HRCconnection@osu.edu
Additional compensation paid from sponsored research projects	Office of Sponsored Programs	614-292-3815	osp.osu.edu

History

Issued:	10/01/1973	Issued as Compensation/Salary Administration
Revised:	12/01/1981	
Amended:	03/01/1994	
Revised:	07/01/1996	Renamed Classification & Salary Administration for Non-Broadbanded Positions (interim)
Edited:	10/31/1997	
Revised:	10/15/1999	Renamed Salary Administration & Classification
Edited:	09/06/2002	
Revised:	07/01/2007	
Revised:	12/01/2010	
Edited:	04/14/2014	
Edited:	08/05/2016	
Revised:	01/03/2021	Minor revision
Edited:	06/03/2021	
Revised:	11/01/2022	Renamed Staff Compensation. Policy now incorporates Additional Compensation Involving Work Within the University, which is being retired as a standalone policy.