FY20 PSOM RECLASSIFICATION, COMPENSATION CHANGE, JOB CHANGE, ADDITIONAL PAY AND ONE-TIME PAYMENT GUIDELINES

The University continues to charge Schools and Centers with the responsibility of ensuring a strategic, disciplined review of reclassification, compensation change, job change, additional pay (formerly Monthly-Paid Acting Rate) and One-time Payment (formerly Weekly-Paid Acting Rate) requests. This document serves as a guide for these actions at the Perelman School of Medicine. These guidelines were developed in conjunction with University HR Policy 304-Position Reclassification and Compensation Changes. The guidelines are reviewed annually and approved by PSOM Administration in consultation with Human Resources and in accordance with published University guidelines.

Requests for FY20 will be received July 1, 2019 through March 30, 2020. The University has established a financial cap of .5% of FY19 staff salaries for the School’s reclassifications and compensation changes. This is flat from last year’s percentage amount. Once the cap is reached, any remaining requests will carry over to the following fiscal year with an effective date of July 1, 2020 for approved requests. Retroactive salary actions cannot cross fiscal years; i.e. an action that was approved in July, cannot be retroactive to June. The School may need to manage the number of requests by a department to assure that the cap is distributed equitably across the School. In addition, once 50% of the allocated cap has been reached, the School holds the option to analyze the remaining requests and prioritize those requests with the largest equity gap.

All requests for reclassifications, compensation changes, and additional pays are to be entered in Workday including the justification letter. The documentation, as described below, will first be reviewed for financial approval. Human Resources/Compensation will review the merits of the request based on the guidelines and provide feedback to PSOM Administration.

It is important to note that the University is required to provide the same financial due diligence to externally funded positions as it does to internally funded positions. All positions must be treated equally and consistently with the University’s policies and practices.

In preparing the requests please ensure that all documentation is complete and accurate. As a document of record to support many HR decisions, the Position Information Questionnaire (PIQ) should be complete and clear in describing the major duties and responsibilities of the job. It should be signed by the manager(s) and employee, confirming that all parties agree the PIQ accurately reflects the job duties/responsibilities. Please be sure that any specific duties mentioned in the cover memo are included in the PIQ. Incomplete PIQs that are revised during the review process and/or other missing documentation will cause significant delays in assessing the validity of the request and the final determination from Compensation. Please be sure that all eligibility requirements are met.

All requests require a current performance appraisal with a performance rating of "meets expectations" or above. Per University guidelines, FY19 performance appraisals were due on June 1, 2019.

HR/Compensation will provide a recommendation with a salary range. The range is to provide maximum flexibility and ensure equity among peers. Requests to exceed the highest recommended salary will need a strong justification.
1. **RECLASSIFICATION**

1a. **Staff Member Eligibility:**
- Must be in good standing with a current performance review on file. Performance rating must be a minimum of “meets expectations”.
- Must have at least 18 months of continuous service in his/her current position and have performed the increased duties for a minimum of 4 months. The new duties should be performed for an appropriate period of time (at least 4 months) to ascertain that the staff member will be successful in the new role. Please remember there is no “introductory period” when a staff member is reclassified. Employees who work on an H-1B Visa will not perform the increased duties until approval of the reclassification is received from International Student and Scholar Services.

1b. **Position Eligibility:**
Position reclassification is the assignment of a new job title and/or base pay range to an existing position. The reclassification is based on an evaluation of the position duties/responsibilities, not the individual.
- A significant increase in complexity of the job duties and responsibilities, meeting the level of a higher position, may result in an upward reclassification. Additional work/new assignments of equal complexity, the time in the job or the incumbent’s skill set are generally not valid reasons to promote a position. A copy of the previous PIQ should be included in addition to the revised PIQ to assist in identifying the difference in duties.
- In some cases there is an established career track for a job family (on file with Human Resources).
- There may be cases where a job is reclassified to a lateral position (same base pay range). In certain situations there may also be a downward change in base pay range.

1c. **Compensation Change with Reclassification:**
A reclassification may or may not result in a change in salary.
- Increase in base pay range: The general compensation change guideline is 5% to 6% per base pay range adjustment. However, the employee’s position in the base pay range and internal equity of incumbents in the new classification are also considered.
- Lateral move in base pay range: A compensation change may occur when there is an equity concern.
- Reduction in base pay range: A reduction in salary may occur in specific circumstances.

1d. **Required Documentation:**
- Memo providing reason for request, including an approximate amount of time that the incumbent has been performing the new duties (excludes employees with an H-1B visa), signed by Department Chair, Center or Institute Director or Unit Head for administrative areas. The signature of the top Business Administrator will be accepted in proxy for a Chair.
- A copy of the previous PIQ
- A revised PIQ (short form please) with signatures and the additional duties identified at the bottom of page 1
- A current resume • Organizational chart, including names of incumbents • PSOM Financial Review Form

**Note:** A supplemental guide for entering a reclassification request in Workday is available by copying and pasting the following link into the web browser:
https://www.workday.upenn.edu/docs/default-source/tip-sheets/workday@penn-supplementary-guidance-reclassification.pdf?sfvrsn=f70f8f56_8
2. **COMPENSATION CHANGE**

2a. **Staff Member Eligibility:**
- Must be in good standing with a current performance review on file. Performance rating must be a minimum of “meets expectations”.
- There is a minimum of 3 years since the last out-of-cycle compensation change, reclassification or acceptance of a position. Salaries are set to be equitable with peers; typically an equity discrepancy would not occur within 3 years. However, this eligibility requirement may be waived for exceptional situations.

2b. **Eligible Reasons for an Out-of-Cycle Compensation Change:**
Out-of-cycle compensation change may be considered if:
- It is determined that there is an equity discrepancy, typically in the range of 5% to 8%. An equity discrepancy is determined by comparing the current salary to salaries of similarly situated staff members in a job classification. A determination is based on the level of education, experience and time at Penn compared to other staff members across the University, within the Perelman School of Medicine and the specific department.
- It is determined that there is salary compression within the organizational structure of the department, i.e. between a manager and his/her direct reports. However, it should also be acknowledged that there are situations where a direct report may earn more than a manager due to a specific skill set or technical knowledge.
- It is determined that the additional duties/responsibilities of increased complexity warrant an increase in pay. This may occur with or without a reclassification.
- A request to counter an offer of employment may be considered. Retention requests should be accompanied with concrete supporting material that a competing job offer has been made. Information on the duties of the offered position should also be provided.
- Prevailing wage as determined by the Department of Labor for visa purposes
- Established career track, i.e. predefined program on file with Human Resource such as Lab Animal Technician certifications.

2c. **Ineligible Reasons for an Out-of-Cycle Compensation Change:**
- Length of service alone is not considered a valid reason for a compensation change.
- Earning a degree/certification is typically not a valid reason for a compensation change. Exceptions are noted above.
- High performance should be addressed during the annual merit increase program.

2d. **Required Documentation:**
- Memo providing reason for request, signed by Department Chair, Center or Institute Director or Unit Head for administrative areas. The signature of the top Business Administrator will be accepted in proxy for a Chair.
- A copy of the current PIQ (short form please) with signatures. If additional duties/responsibilities have occurred, they should be identified at bottom of page 1.
- A current resume
- Organizational chart, including names of incumbents
- PSOM Financial Review Form
- Offer letter and competing job description for retention concerns
• Prevailing wage concern only requires memo, financial review form and supporting DOL documentation
• Established career track (such as Lab Animal Tech certifications) only requires memo, financial review form and supporting career track documentation.

3. **CHANGE JOB:**

3a. **Change Job Defined:**
Job changes include the following situations:
• Change between full time and part time status (or vice versa)
• An increase/decrease in the number of hours for full time non-exempt (weekly paid) employees, i.e. change in weekly hours between 35 and 40 hours.
• Phased retirement

3b. **Required Documentation:**
• Memo providing reason for request, signed by Department Chair, Center or Institute Director or Unit Head for administrative areas. The signature of the top Business Administrator will be accepted in proxy for a Chair.
• If an employee is requesting a job change from full time to part time, he/she should provide a signed memo requesting the change. The memo should include a statement that the employee is aware of the change in benefits (Policy 116-Regular Part-Time Staff Members). Also the employee should note that this is considered a break in service for retiree benefits. The PSOM HR satellite office is available to consult with the employee to advise them of the effect of the change to part time status.
• A copy of the current PIQ (short form please). It is possible that duties may change with the time dedicated to a job. This could result in a reclassification.
• A copy of the previous PIQ, if there has been a change in duties.
• A current resume, if there has been a change in duties.
• PSOM Financial Review Form if change in status will result in higher compensation costs.
• For phased retirement, signed agreement per HR Policy 414-Temporary Staff on Penn’s Payroll.

4. **ADDITIONAL PAY (formerly Extra Compensation Policy)**

4a. **Additional Pay Defined:**
Per HR Policy 305-Additional Pay “represent extra compensation for a staff member who has temporarily assumed major responsibility for, and performance of, a vacant position in a base pay range that is higher than that of his/her current position. Such assumed responsibility is usually in addition to his/her primary job responsibilities.”

The effective date of the additional pay can be no earlier than the date that the position was vacated. They typically are in effect for no longer than 6 months and should not extend beyond the current fiscal year. Extensions of the additional pay can occur only with review and approval of Compensation. Additional pay rates must end when the position is filled.

4b. **Determining the Rate:**
The rate, which typically ranges between 5% and 10% of the staff member’s current monthly salary or weekly pay, is determined in accordance with the extra duties performed. Additional pay rates above
10% require review and approval of the Director of Compensation and the Vice President of Human Resources.

4c. Required Documentation:
- Memo providing reason for request, signed by the Department Chair, Center or Institute Director or Unit Head for administrative areas. The signature of the top Business Administrator will be accepted in proxy for a Chair.
- The memo should include detail about the responsibilities that will be assumed, provide a requested effective date and an expected length of time for the rate.
- PSOM Financial Review Form

Note: The PSOM Financial Review Form and Required Documentation sheet for Promotion (Reclassification), Compensation Change, Change Job and Allowance-Acting Rate Requests are available by copying and pasting the following link into the web browser: