FY 2013-14 Clemson University Compensation Plan Guidelines

As a part of the 2020 Road Map goal of recruiting and retaining top people, Clemson University is implementing the third stage of the compensation plan of a planned five-year commitment. Clemson’s compensation philosophy is below and guides all compensation decisions including the FY2013-14 compensation plan. In addition to supporting the 2020 goal, the philosophy utilizes market relevant salary data.

*Clemson’s compensation philosophy emphasizes the University’s investment in people. The compensation philosophy supports the University’s goal of attracting, developing, and retaining people through the use of market-relevant salary ranges and pay practices to reward performance and people development.*

An annual compensation analysis has been conducted on all faculty and nonfaculty positions. This analysis revealed:

- Faculty pay is competitive, and is on average, 101% of the OSU market mean by discipline and rank.
- Nonfaculty pay is competitive, and is on average, 101% of the specific markets which varies by each type of position (Classified bands 1-6, State of SC Higher Ed Median; Classified bands 7-9, State of SC Higher Ed Median, Regional and National surveys; Unclassified, Regional and National surveys).

These analyses were used to guide the key elements of these guidelines.

Key elements in this year’s compensation plan for Faculty and Nonfaculty positions include:

1. Performance–driven increases
2. Performance–driven and incentive-based bonuses

Below are the specific guidelines for each element of the compensation plan. Additional information, including approvals and a timeline can be found on the Office of Human Resources website at: [http://www.clemson.edu/humanres](http://www.clemson.edu/humanres).

1. **Performance pay increase (classified, unclassified, and faculty positions)**

   Performance pay increases are a permanent increase to base salaries. Performance increases are for top performers and must also consider market data.

   When considering eligibility for performance pay increases, management should carefully consider one or more of the following:
   - Provide market-based, competitive compensation to retain and reward top performers
• The employee’s contribution to the strategic plan and contributions to the bottom line by generating resources and/or cost savings.

Guidelines and Eligibility for Performance Pay Increases:
• The overall average of faculty and nonfaculty performance increases for a division cannot exceed 1% of that division’s total faculty and nonfaculty payroll.
  o The 1% target is funded 100% through divisional set-aside funds. The allowed 1% performance pay pool will be calculated and communicated to the divisional and college Business Officers by the University Budget Office.
  o Divisions are encouraged to focus primarily on performance pay for full-time permanent employees and employees in critical and/or long-term time-limited project positions prior to funding potential raises for part-time, temporary, temporary grant*, or short-term time-limited project employees.
• This is not an across the board raise. Raises of zero are acceptable and expected.
• In most cases, performance increases should be reserved for top performers, and in some cases, individuals who have had solid performance in all job responsibilities.
• All performance increases should take into consideration the individual’s salary in relation to market as well as the individual’s current and past performance.
• For classified positions, salaries cannot exceed the maximum of their pay band.
• All increase requests will require justification.
• Individual increases should range from 0-4%. Approvals will be required by the Dean or VP/Division Head.
• For collegiate units, individual increases greater than 4% up to 10% require approval of the Dean and Provost.
• For noncollegiate units, individual increases greater than 4% up to 10% require approval of the VP/Division Head with final review by the President.
• Individual increases greater than 10% require final approval by the President and additional justification of increase request.

Eligibility: All faculty and nonfaculty (classified and unclassified) in permanent, temporary grant*, time-limited, or temporary positions are eligible.

*Temporary Grant increases must coincide with the approved grant or contract and may not be eligible under the above guidelines.

Note: Additional duties, promotions, reclassifications, etc. are not a component of this compensation plan and should be treated separately. See Human Resources Compensation Policy for Classified and Unclassified (non-faculty) Positions for additional details.
2. Bonuses (Faculty and Nonfaculty)

Bonus pay is a one-time payment to the employee and does not change the base salary. There are two bonus plans for management to consider:

i. **Performance-Based Bonus** – Bonus tied specifically to an individual’s performance.

ii. **Incentive-Based Bonus** – Bonus tied specifically to an individual’s contribution to the bottom line through the generation of net external funds or savings captured to fund the strategic plan.

**Guidelines and Eligibility for Performance Bonus for faculty and nonfaculty:**

1. **Performance-Based Bonus:**
   - Range from $500 - $3,000 ($3k max per state law)
   - Must use existing funds from within the division. *Divisions should use only non-state-appropriated funds for bonuses.*
   - When considering eligibility for bonus pay, management should carefully consider one or more of the following:
     - The individual’s performance over the past three years, recognizing top performers
     - The individual’s contribution to the strategic plan and contributions to the bottom line by generating resources and/or cost savings
     - Individuals who have received significant external, internal, or peer recognition

**Eligibility:** All classified, unclassified, and faculty in permanent positions. Temporary grant* and time-limited positions so long as the bonus is paid out of the grant or time-limited project, and that the grant or project allows bonuses.

**Ineligibility:** Per state law, temporary employees and employees with documented substandard performance or who have received any type of disciplinary action within the prior 12 months, as well as, University President.

**Approvals:** Requests for college faculty and nonfaculty require approvals by the Dean. All other requests require Vice President/Division Head approval.

2. **Incentive-Based Bonus (faculty and nonfaculty):**
   - Range from $1,000 - $10,000
   - Must use existing non-state appropriated funds (per state law) within each division.
   - Recommended amounts must be commensurate with the specific and continued contribution to the bottom line through the generation of net external funds or savings captured to fund the strategic plan.
   - Justification: Each individual contribution bonus request must indicate precise answers and details to the following:
     - What is the specific source of “non-state” funding for each bonus request?
What is the opportunity cost for providing bonuses? In other words, what is the impact of using these funds for bonuses rather than for other strategic initiatives?

Provide documentation of generation of external funding or captured savings by the individual and how it was used/will be used to fund major divisional initiatives in support of strategic plan.

Identify if the generation of funding or cost savings are recurring or one-time funds.

**Eligibility:** All faculty and staff in permanent, temporary grant*, or time-limited positions. This eligibility is irrespective of salary level.

**Ineligibility:** Temporary employees and employees with documented substandard performance or who have received any form of disciplinary action within the prior 12 months.

**Approvals:** Requests for college faculty and nonfaculty require approvals by the Dean and Provost. All other requests require Vice President/Division Head approval. The President will be the final approver.

*Temporary Grant bonuses must coincide with grant agreement and may not be eligible under the above guidelines.

**Note:** Contractual agreements are not a component of these performance pay guidelines and should be treated separately.