

College Procedure:	402.1 - Compensation
Policy Reference:	402 - Employee Benefits and Compensation
Responsible Department:	Human Resources
Approval Authority:	Cabinet
Procedure Owner:	Vice President, Human Resources
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Legal Counsel Reviewed (yes/no): No
Legal Reference(s):
Scope: College-wide

Reason for Procedure

Kirkwood Community College views compensation as just one component of its overall Total Rewards Program. Kirkwood understands that it takes more than salary and benefits to attract, motivate, and retain employees. To meet the various financial and motivational needs of our employees, Kirkwood recognizes a holistic approach is needed. This means a Total Rewards Program that consists of compensation, benefits, work life balance, employee development, and employee recognition. The combination of these five components is the key to attracting, motivating and retaining employees.

The Procedure

New Hire:

New hires will normally be hired at a rate somewhere between the minimum and 10% above the minimum pay band.

- Factors that will be considered when determining a new hire wage will include internal market pay, education, work experience, prior salary and benefits, and flex dollars.
- All new hire job offers need to be approved by the department's Cabinet Member and Human Resources prior to any offer being made to the new hire.
- Due to the demand for specific skill sets or a lack of qualified candidates, the College reserves the right to exceed the pay plan listed above. Any new hire wage that would exceed the 10% cap on the minimum pay band will require the approval of the President prior to an offer.

New Positions:

All new positions need to be submitted to the Compensation and Benefits Manager for review and placement within a pay band prior to posting the position.

- New positions will be classified based upon the following inputs: job responsibilities, educational requirements, comparable public sector jobs and internal market pay.
- If the Department/Division submitting the new position request cannot come to an agreement with Human Resources on the appropriate pay band, it will be referred to the President of the College in order to make a final determination.
- All new positions require an updated job description.

Annual Increase:

Each spring, as part of the College's budget process, the Cabinet along with the President will make a recommendation for an annual salary increase for full-time non-bargaining unit employees.

- The increase for each individual will be calculated by taking the approved percentage and multiplying it by the midpoint.
- Increases will become effective the following July 1st. Employees who were hired prior to March 1st will be eligible to receive the increase. If the minimum entry-level wage for a pay band is increased and is greater than the wage of someone hired March 1 or later, that employee's wage will be increased to the new minimum entry level.
- In conjunction with the salary increases, the Cabinet, along with Human Resources, will review all pay bands to determine if any adjustments need to be made to the pay bands.
- Employees who have been on a performance development plan (PDP) during the current fiscal year will not be eligible for an increase in July. Employees who are not eligible for an increase, due to a PDP can receive the increase one year from the date they successfully complete their PDP. (Note: Increase is not retroactive.)
- Employees who exceed the maximum of their respective pay band at the time it is calculated will only be eligible to receive 50% of the annual increase.

Cabinet and the President will determine part-time employee salary increases.

- The increase for each individual will be calculated by taking an approved percentage and multiplying it by the midpoint.
- Increases will become effective the following July 1st. Employees who were hired prior to March 1st will be eligible to receive the increase. If the minimum entry-level wage for a pay band is

increased and is greater than the wage of someone hired March 1 or later, that employee's wage will be increased to the new minimum entry level.

- Employees who have been on a performance development plan (PDP) during the current fiscal year will not be eligible for an increase in July. Employees who are not eligible for an increase, due to a PDP can receive the increase one year from the date they successfully complete their PDP. (Note: Increase is not retroactive.)
- Employees who exceed the maximum of their respective pay band at the time it is calculated will not receive wage increases until the maximum of their respective pay band is increased to an amount that is above their salary.

Discretionary Compensation:

In conjunction with the annual increase, a small allotment of funds may be set aside for discretionary pay adjustments. Discretionary pay adjustments give managers an opportunity to recognize employees who have exceeded performance standards or to address certain payroll inequities. The President and CFO will set a target percentage for the discretionary pay goal each year by December 1. Listed below are the categories that a manager may use to recommend employees for discretionary pay adjustments:

- **Bonus** - one time award for an employee who exceeded performance standards related to his or her job for the previous year and/or temporarily assumed additional responsibilities that significantly affect the College's mission, vision or strategy may be eligible for a bonus.
- **Merit increase** – permanent salary increase for an employee who continually exceeds performance standards related to his or her job or assumes additional responsibilities that significantly affect the College's mission, vision or strategy may be eligible for a merit increase.
- **Equity Increase** – an equity increase/salary adjustment is a pay increase provided to an employee whose current pay is too low due to a significant up-swing in the internal and sometimes external "market" for his/her specific skill set and abilities. Factors that will be considered in determine an equity increase may include:
 1. **Market Influence** – Current compensation levels result in an unusually high level of turnover of employees in the department or the department experiences significant difficulty in recruiting candidates to fill vacant positions.
 2. **Pay Equity** – based on an internal equity analysis, awards may be granted to assist in resolving or minimizing pay inequities.
 3. **Retention** - employee skill set is in high demand within the local market place or is critical to college operations, thereby requiring an adjustment to increase retention.

Managers will submit employee recommendations to their respective Cabinet member for consideration by January 15. Cabinet members will finalize the recommendations and submit them to the President no later than January 30.

In addition to the discretionary salary recommendations, managers need to submit recommendations for new hires and job reclassifications (see section “E” for definition) at the same time.

- Cabinet member recommendations will be sent to the Compensation and Benefits Manager for review prior to final approval. The Compensation and Benefits Manager will meet with the President to finalize requests by March 1 for Cabinet review.
- Bonus adjustments will be made as a onetime payment that will be paid by the last payroll run for the current fiscal year (June 30th). Adjustments to base pay for merit or equity increases will be made on the first full payroll run after July 1st.
- Due to the limited size of this discretionary fund, not all recommendations are approved.
- Cabinet members may request equity adjustments after the start of the new fiscal year with approval from the President. This out of cycle request will count against the Cabinet member’s discretionary allotment for the following fiscal year. If there is no pool of funds for that fiscal year, it will carry over into the following fiscal year. Until the account is settled, the Cabinet member will not be able to make any further out of cycle adjustments.

Requirements: Discretionary Compensation Adjustments

- An employee is not eligible to receive a discretionary compensation adjustment if they have received one in each of the last two years.
- Recommendations for discretionary adjustments are limited to the following percentages:
 - Nonexempt (hourly) – up to 8% of the employee’s base salary
 - Exempt (salaried) – up to 5% of the employee’s base salary
- Employees who are at the maximum in their pay band are exempt from requirement #1. However, they can only receive bonuses and are not eligible for merit or other base pay increases/adjustments.
- With the President’s approval, the College reserves the right to make adjustments, as needed, to the discretionary compensation requirements in order to meet the needs of the College and its employees.

Job Reclassification and Transfer:

Job Reclassification is a *significant* change in job responsibilities that requires the position to be moved from one pay band to another. This pay band movement can be to a higher pay band or lower pay band.

- To make a change to a job classification, the manager will submit an updated job description along with a personnel action form (PAF) to their Cabinet member for review.
- Once approved by the Cabinet member, the reclassification materials are sent to HR for review as well as for a salary recommendation. Salary recommendations are based on internal market data, whenever possible.
- The job description and salary recommendation are sent to the President for final approval.
- Employees who are reclassified to a lower pay band and exceed internal market pay may have their salary frozen until the internal market pay structure catches up to their current salary level.

Job Transfer (Lateral) is defined as movement from one position to another position in the same pay band. Non-board approved employees can only be considered for transfer to a board approved position, when the position is open to the general public and they are selected through the Colleges' recruitment and selection process. Employees who are on a Personal Development Plan (PDP) may not participate in the recruiting and selection process until they are officially released from their PDP.

- Employees wishing to make a job transfer to an open position need to apply on-line using the Kirkwood Careers link.
- Employees who have been in their current position for less than one year will need to get approval from their Cabinet member prior to applying for the transfer.
- Hiring managers are required to notify the employee's manager when they are planning to make an offer to the employee.
- If the employee is selected for the position, the hiring Manager will complete the Employment Checklist and Recommendation form and submit to their Cabinet member for approval.
- Once approved by the Cabinet member, the PAF will be sent to Human Resources for processing.
- As a courtesy, employees hired for a lateral job transfer will need to remain in their current position as determined by the current and future manager.
- Salary adjustments will not normally be made with lateral job transfers, since most jobs within the same pay band are equivalent in responsibility and skill.
- The College reserves the right to make adjustments in salary for lateral job transfers when there is significant external or internal market pay pressure.

Note: Except for promotions or job reassignment, all job openings will need to be posted for a minimum of five full business days.

Promotions/Career Advancement:

Promotions are designed to recognize employees who have taken on additional duties and are performing at a higher degree of responsibility and complexity or who have the necessary qualifications and experience to fulfill a higher-level role (pay band) within the organization.

- Managers or supervisors wishing to promote an individual to a higher classification need to submit a PAF along with an updated job description to their Cabinet member for approval.
- Once approved by the Cabinet member, the PAF will be sent to Human Resources for processing.
- Human Resources will then forward the PAF along with the salary recommendation to the President for his/her approval.
- Salary adjustments will be made as follows for newly promoted employees:
 - Employees who are below the minimum of their pay band will be moved to the minimum of their new pay band or up to 10% above the minimum.
 - Employees who are above the minimum of their new pay band may receive a salary increase of 0 to 10% of their current annual base salary.
 - The College reserves the right to make adjustments in salary for promotions when there is significant external or internal market pay pressure.
 - Non-board employees cannot be promoted into board-approved positions.

Career Advancement occurs when an employee applies and is accepted for a higher-level position than the one that they currently hold. To be considered for a higher level position:

- Employees need to apply on-line using the Kirkwood Careers link.
- Employees who have been in their current position for less than one year will need to get approval from their Cabinet member prior to applying for the position.
- Once the employee is selected for the position, the hiring Manager will complete the Employment Checklist, Recommendation, and PAF form and submit to their Cabinet member for approval.
- Career advancement salary adjustments will be made as follows:
 - Employees who are below the minimum of their pay band will be moved to the minimum of their new pay band or up to 10%.

- Employees who are above the minimum of their new pay band may receive a salary increase of 0 to 10% of their current annual base salary.
- Once approved by the Cabinet member, the PAF will be sent to Human Resources for processing.
- Hiring managers are required to consult with the employee's manager prior to making an offer to the employee.
- As a courtesy, employees hired for a new position will need to remain in their current position as determined by the current and future managers.
- The College reserves the right to make adjustments in salary for promotions when there is significant external or internal market pay pressure.
- Non-board approved employees may be considered for board approved positions only when the position was opened to the public.

Career Laddering:

Kirkwood Community College recognizes that there are times when the College has a need for a higher-level skill set within a position in order to accomplish the College's objectives/mission. To address this need, Kirkwood Community College is implementing a Career Ladders program for certain positions within the College. By implementing a Career Ladders program at Kirkwood, we are providing employees opportunities to advance as their skills grow.

- For a position to be considered for the Career Ladders process, the following criteria needs to be met:
 - Department is able to demonstrate a need for the higher-level work.
 - Department is able to clearly define the number of employees needed at each career ladder level in order to reach the department and/or College objectives.
 - Provide Human Resources with up-to-date job descriptions for each career ladder's position that clearly defines the different skills, knowledge, and abilities required for each level.
- Unless circumstances dictate otherwise, the career laddering of positions will be limited to three steps (I, II, III /Sr.).
- Placement of Career Laddering positions within pay bands will be as follows:
 - Career Ladders (I) and (II) will be placed in the same pay band, but at different hiring rates.
 - Career Ladder (III) or (Sr.) can be placed in the same pay band as one and two, but at different hiring rates, or at the next higher pay band level.
- Hiring rates for each Career Ladder:
 - Career Ladder (I) – the minimum of the designated pay band
 - Career Ladder (II) – 16% above the minimum of the pay band

- Career Ladder (III) or (Sr.) – 30% above the minimum when it is in the same pay band as (I) and (II) or the minimum of the next highest pay band
- Departments have the right to set additional criteria/expectations beyond the minimums listed above in order for employees to reach or even maintain a certain Career Ladder level.
- Departments retain the right to decide whether they promote an internal candidate to the next career ladder level or post the open position internally or externally. Depending on which scenario the hiring department picks, they still will need to follow the College's guidelines for promoting and hiring individuals.

Demotions:

A demotion is defined as a reduction in job responsibilities and authority resulting in a reclassification to a lower pay grade. An employee may request a voluntary demotion for personal reasons; a demotion may be the result of a reorganization, reclassification, or inadequate job performance.

- Any manager/supervisor considering a demotion should consult HR prior to taking any action.
- If a demotion is warranted, the manager will submit a Personnel Action Form (PAF) and a job description, if necessary, to Human Resources for processing.
- Employees who are demoted to a lower pay grade and exceed internal market pay may have their salary frozen until the internal market pay structure catches up to their current salary level.
- In certain instances, the College reserves the right to decrease the pay for an employee who is being demoted, especially when it is for performance or disciplinary reasons. Pay decreases will be determined on internal market pay conditions for equivalent positions.

Reinstatement/Rehire:

Resignation: Individuals whose full-time, board-approved employment is terminated due to resignation can be rehired into a board-approved position; however they will be hired as any new hire to the College with regard to salary placement and benefit accrual. This is regardless of separation duration.

- No credit for prior years of service is given toward service awards or benefit accrual (such as vacation for non-exempt employees, the Retirement Incentive Program years of service).

Lay-off/Position Elimination: Individuals whose full-time, board-approved employment is terminated due to a lay-off or position elimination can be rehired into a board-approved position.

- Individual will be reinstated as if they never left the College, if all of the following circumstances are met:
 - They were employed in a full-time, board-approved position for a minimum of 3 years prior to the lay-off
 - Job elimination lead to the employee being laid off
 - They return within 6 months of their lay-off
- Individuals who meet the above criteria will be reinstated with the full-time anniversary date immediately prior to layoff; in other words, their record will reflect no break in service with regard to service awards and benefit accrual.
 - Vacation days upon reinstatement will be prorated for the remainder of the fiscal year.
 - Other paid leave (sick, personal, illness in the family, bereavement) will be refreshed to the balance at the time of layoff.
 - Salary recommendation will be reviewed on a case-by-case basis, taking into consideration factors such as, but not limited to, position held prior to lay-off, the new position, and internal equity.

Full-Time to Part-Time/Returning Retirees:

When a full-time employee resigns or retires from their position and moves to a part-time position, their part-time salary will be adjusted giving credit for prior years of full-time employment as follows:

- If they were employed for less than 10 consecutive years as a full-time employee, they may receive 10% of the minimum of the part-time pay band.
- If they were employed for 10 or more consecutive years as a full-time employee, they may receive 20% of the minimum of the part-time pay band.
- Departments also have the option to only offer the minimum of the part-time pay band due to budget constraints.
- Other than employees who retired under the Kirkwood Retirement Incentive Program, employees must move from their full-time position to the part-time position with no break in service. If there is any break in service, they will be placed on the part-time pay band like any new part-time hire.
- Due to high demand for certain skill sets or a lack of qualified candidates, the College reserves the right to exceed the pay plan listed above for full-time employees who resign or retire from their position and move to a part-time position. Any request to exceed the pay plan above will require the approval of the President prior to an offer being made.

Temporary:

Temporary employees are considered those employees, including retirees, who are scheduled to work sporadically throughout the year or for a specific period of time not to exceed one year.

- Employees hired in temporary positions will be paid the part-time entry-level wage for the position in which they are hired. Pay for retirees will be based upon guidelines in Section J.
- If a new temporary position does not have a comparable position on the current part-time pay band, the hiring manager will work with the Compensation & Benefits Manager to determine an appropriate pay band.
- Temporary employees are not eligible for annual pay increases.
- If the part-time entry-level wage is increased, the wage for temporary employees will be increased to the new entry-level wage.
- Temporary employees will be paid in one of two ways; either by submitting a part-time payroll authorization form or a Personnel Action Form.
 - *A Part-Time Payroll Authorization form should be used in the following situations:*
 - a. Temporary employees who will actually work less than or equal to 90 calendar days consecutively or sporadically in a fiscal year.
 - b. Temporary employees who work year round, however only on an occasional/sporadic basis, such as one to 5 days a month.
 - c. The Part-time Payroll Authorization will need to be completed for each pay period in which the employee should be paid. The employee will only be paid when a Part-Time Payroll Authorization is submitted to Payroll.
 - *A Personnel Action Form should be used in the following situations:*
 - a. Temporary employees who will actually work more than 90 calendar days consecutively in a fiscal year.
 - b. These individuals will be assigned an electronic time sheet to complete each payroll.
 - c. The Personnel Action Form for temporary employees must have an end date within the current fiscal year. If their employment crosses a fiscal year, a new Personnel Action Form must be completed for the new fiscal year.
- Temporary employees who work a regular and consistent schedule for up to one year in the same position must be terminated or hired on a regular part-time or full-time basis.

Spot Bonuses:

The Spot Bonus is designed to provide special recognition to employees for an extraordinary accomplishment or achievement. The Spot Bonus program at Kirkwood is separated into two different programs, KSTARS and MSTARs. The KSTARS program is designed to allow employees the ability to recognize other employees for extraordinary accomplishments or achievements. The MSTARs program on the other hand is solely designed for managers/supervisors to recognize employees for extraordinary accomplishments or achievements.

- To submit a candidate for the KSTARS or MSTARs program, please follow the following links:
KSTARS link:
<https://www.kirkwood.edu/site/index.php?p=31921>

MSTARs link:
<https://kin.kirkwood.edu/kcc/forms/Forms%20Library/Human%20Resources/MSTARs%20Nomination%20Form.xlsx>
- For a list of rules and prizes for the **KSTAR** program, please refer to the link above.
- Rules and prizes for the **MSTAR** program:
 - Managers and supervisors may submit an employee for recognition under the MSTARs program for an outstanding service, extraordinary accomplishment or achievement just to name a few.
 - Managers can nominate employees for a \$25, \$50, or \$100 gift card by filling out the nomination form (see link above) and submitting the form to their Cabinet Member. Or a manager can nominate a group of employees (3 or more) for a group luncheon by submitting the nomination form to their Cabinet Member. The College would encourage managers to utilize the restaurant at The Hotel at Kirkwood or the catering services offered by the College for this recognition luncheon. If the manager decides to use a restaurant off-site, it should not exceed the cost of a standard lunch at The Hotel at Kirkwood.
 - Once the Cabinet member approves the form, they will submit it to HR for processing.
 - Employees can win both MSTARs and KSTARS for the same accomplishment.
 - Employees who are in the E50 pay band or above are not eligible for the MSTARs program.
 - Submission for recognition under the MSTARs program must be submitted within 30 calendar days of the achievement/accomplishment.
 - Employees cannot receive recognition more than once every 90-calendar days.

General Information:

- The College reserves the right to change or modify this procedure at any time as well as suspend certain provisions of this document based on budgetary constraints.
- This is not a contract and therefore employment at the College remains at will.
- Normally, the College will not dock employee pay without the employee's written permission or a court order. One exception is when employees overuse their vacation allowance.

References

Definitions

Term	Definition
Term 1	
Term 2	
Term 3	
Term 4	

Revision Log

Version Number	Date Approved	Approved by	Brief Description of Change
1	2/24/2014	Jim Choate, Vice President, Finance	
2		Mick Starcevich, President	New template 5/9/2017
3		Cabinet	Procedures template 6/26/2019