PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish a compensation philosophy that is respectful, equitable, market competitive, and helps attract and retain top performers who are aligned with our values-based culture.

REVIEW: This HSC OP will be reviewed on January 1 of each even-numbered year (ENY) by the Associate Vice President of Human Resources with recommendations for revisions forwarded to the Executive Vice President for Finance and Operations.

POLICY: Texas Tech University Health Sciences Center will follow a compensation philosophy that supports its Core Values; is compliant with applicable legislation; supports overall consistent treatment of team members; and wisely uses institutional resources.

TTUHSC will recruit and retain values aligned, productive team members with a compensation plan of direct pay that respects all levels of staff and rewards high performing individuals. Salaries will be distributed fairly and equitably based upon the relative worth of various positions and team members assigned to those positions without regard to sex (including pregnancy), race, color, national origin, religion, age, disability, genetic information, protected veteran status, sexual orientation, gender identity, gender expression, or any other legally protected category, class, or characteristic; and in keeping with the laws of the State of Texas and the Board of Regents. See System Regulation 07.09.

1. **Authority**
   Authority to set the compensation paid to team members resides with the Board of Regents. This authority is exercised through policies which regulate compensation and through review and adoption of the annual operating budget. In conjunction with approval of the itemized budget during the normal budget cycle, the Board of Regents has delegated authority to approve all faculty and staff salary increases to the President. All increases requested outside the normal budget approval process will require approval of the President or designee as described in the appropriate processes.

   The President delegates the authority to approve adjustments to a team member’s salary when the increase was not budgeted in the current Fiscal Year Operating Budget in accordance with HSC OP 10.11, Delegation of Authority. Under Regents’ Rule 07.04.4.c(2), approval by the President is required prior to the effective date for adjustments to a team member’s total salary rate, not required by law, when such adjustment is 10 percent or more per annum. This does not apply to:

   - Bona fide promotions or reclassifications;
   - Supplemental compensation payments as provided by law, (i.e., FLSA ruling, EEO settlements, etc.);
   - Adjustments to the total salary or wage rate of a team member that result in an annual increase of $2,000 or less; or
   - Adjustments to a team member’s salary rate from non-appropriated funds, which have a period other than the state fiscal year, if the increase is consistent with the institutional increases given to other persons, and if the Vice President Human Resources and the President have reviewed the adjustment and the President has approved it.

2. **Texas Tech Pay Plan**
   In collaboration with Texas Tech University System, Texas Tech University and Texas Tech University Health Sciences Center El Paso, TTUHSC will maintain a pay plan that establishes a
schedule of pay rates and/or ranges and shows the assignment of each job title in the pay plan to
one of the rates or ranges. The Chancellor and Presidents of each TTU System entity are
responsible for the oversight of the shared Pay Plan.

3. **New Hire Compensation**
   While no staff team member will receive compensation of less than the respectful wage set by
   TTUHSC, team members in student categories may have a differing minimum pay. New hire
   compensation may be determined utilizing the process matrix found on the HR Compensation
   website.

4. **Change to Compensation**
   Changes to appointed compensation may be made under the following processes:
   - **Market Adjustment Plan:** A TTUHSC market adjustment plan may be implemented in
     odd-numbered fiscal years if financially feasible.
   - **Performance Incentive Adjustment Plan:** A TTUHSC performance incentive
     adjustment plan may be implemented in even-numbered fiscal years if financially feasible.
   - **Salary Adjustments:** Other changes to salary may occur by the following processes
     outlined on the Compensation webpage: equity, completion of training, new certification
     (related to position), change in job duties, and correction to salary. Salaries may also be
     adjusted due to promotion, demotion, reclassification, or transfer.

5. **Additional Compensation**
   Team members exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) may
   be requested to provide services or activities within TTUHSC that are considered to be in addition
   to their regularly assigned duties for which additional compensation may be paid subject to
   limitations outlined in the process.

6. **Overtime Pay**
   TTUHSC will adhere to all regulations regarding overtime pay and record keeping promulgated
   under the Fair Labor Standards Act (FLSA).

   A team member employed in a position designated as non-exempt (N) in the Texas Tech Pay
   Plan is subject to the record keeping and overtime provisions of the Fair Labor Standards Act
   (FLSA). Each non-exempt team member is required to maintain a record of actual hours worked
   and leave hours taken through the Texas Tech Online Web Time Entry (WTE) System or, where
   applicable, with time clock entries through Time Clock Plus (TCP) for each pay period during
   which any time is worked. The team member’s time approver is responsible for assuring that the
   team member complies with this requirement and will certify that the reported hours are correct.

   A team member employed in a position designation as exempt (E) in the Texas Tech Pay Plan is
   salaried and exempt from reporting daily worked hours and from the overtime regulations under
   the FLSA. Exempt team members are paid for the accomplishment of assigned tasks without
   accounting for hours worked or being entitled to overtime pay. Exempt team members shall
   report all leave taken through the Texas Tech online Web Leave Report (WLR) System.

   Detailed information for the above compensation process are found on both the Human
   Resources Compensation webpage and the Human Resources Administrative Procedures
   webpage.