



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 70.04, **Compensation**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish a compensation philosophy that is respectful and market-competitive to attract and retain an exceptional workforce aligned with our Values-Based Culture.

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

POLICY/PROCEDURE:

1. **Compensation Commitment.** Texas Tech University Health Sciences Center (TTUHSC) is committed to attracting and retaining an exceptional workforce by implementing a compensation approach that acknowledges the contributions of all team members and rewards high-performing individuals. Salaries will be distributed based upon the relative value of various positions and team members assigned to those positions without regard to race, color, religion, sex, age, national origin, disability, or protected veteran status, in compliance with the laws and regulations of the State of Texas, Regents' Rules, Title VII of the Civil Rights Act of 1964, Texas Tech University System Regulation [10.03](#), and all other applicable federal laws.
2. **Authority.** The Board of Regents holds the authority to set compensation for team members, which is exercised through policies regulating compensation and adopting the annual operating budget. In conjunction with the approval of the itemized budget during the normal budget cycle, the Board of Regents has delegated to the President the authority to approve all faculty and staff salary increases. All increases requested outside the normal budget approval process will require approval from the President or designee as described in the appropriate policy.

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:

- (1) Bona fide promotions or reclassifications;
- (2) Supplemental compensation payments as provided by law;
- (3) Adjustments to the total salary or wage rate of a team member that result in an annual increase of \$2,000 or less; or
- (4) 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 of Human Resources and the President have reviewed the adjustment and the President has approved it.

3. **Definitions.**

- a. *Hazardous Duty Pay:* Hazardous duty pay applies to employees serving in positions classified as hazardous, meaning roles in the service of the state that render the individual holding the position a state employee or require the performance of hazardous duty, as defined in [Texas Government Code, Sections 659.301–659.308](#).
- b. *Longevity Pay:* A monetary benefit provided to eligible employees as a recognition of their extended service.
- c. *Market Adjustment:* A change to compensation, either through an institutional mandate or within a department, to align a team member's salary with the market for the same or similar position within a region, industry, or work type. The market salary or rate for a position is the median salary for comparable positions.
- d. *Pay Plan:* All position classifications and their assigned values to the institution consist of minimum, midpoint, and maximum wage rates and pay grades. This system also determines minimum qualifications and outlines the position description.
- e. *Performance Incentive:* Compensation given to a team member to incentivize and reward individual high performance.
- f. *Promotion:* The appointment of a current employee to a position in a higher pay grade than their current position, usually requiring higher qualifications and expanded responsibilities.
- g. *Reclassification:* Changing a current position classification to a different classification due to a change in responsibilities, scope, qualifications, organizational structure, or for other reasons, which may result in a change of base salary for a team member.
- h. *Respectful Wage:* TTUHSC's minimum wage rate for all non-student worker employees, which considers the cost of living and the value of the work performed.
- i. *Salary Adjustment:* A change to a team member's salary, typically for their primary position.

4. **Pay Plan Review and Publication.** TTUHSC will maintain a pay plan that aligns with our institutional needs and respectful wage commitment. TTUHSC will annually review the pay plan and publish any approved changes. TTUHSC will collaborate with Texas Tech University and Texas Tech University Health Sciences Center El Paso, as needed.

5. **New Hire Compensation.** Team members in student worker categories may have a different minimum wage rate. When determining a new team member's salary, please refer to the Human Resources Compensation webpage on [Guidelines for Determining Team Member Salary](#). Please consult with your campus Human Resources leadership for any questions.

6. **Types of Pay Increases.** All approved compensation programs and changes will comply with [Regents' Rule 07.04.4\(c\)\(2\)](#).

- a. *Institutional or mandated changes to compensation may occur under approved programs outlined below:*
 - (1) *Market Adjustment:* A mandatory market adjustment may be implemented in odd-numbered fiscal years if financially feasible.
 - (2) **Performance Incentive Adjustment Plan:** A performance incentive may be implemented in even-numbered fiscal years if financially feasible.
 - (3) TTUHSC reserves the right to institutionally provide an employee one-time payment in lieu of a base salary increase for either of the programs listed in sections 1 and 2 above.

- b. *Other Salary Adjustments:* Salary reviews resulting in an adjustment may be requested to address internal and external pay competitiveness, to compensate for the addition of job duties, or for salary correction. Any changes to salary require Human Resources' review and approval for appropriateness.
 - c. *Promotion, Demotion, Reclassification, or Transfer:* Salaries may be adjusted due to promotion, demotion, reclassification, or transfer and will be subject to review and approval by Human Resources.
 - d. *Additional Compensation, Administrative Salary Supplements, Employee One-Time Payments:* Please see the Human Resources webpage [Compensation Procedures and Processes](#).
7. **Special Title Restrictions.** Certain titles within the pay plan are restricted use. Other titles not listed below may have restrictions:
- (1) Auditor;
 - (2) Staff Auditor;
 - (3) Senior Staff Auditor;
 - (4) Executive/Chief of Staff;
 - (5) Presidential Advisor;
 - (6) Attorney;
 - (7) Certified Public Accountant;
 - (8) Any Human Resources or Payroll titles to include in the extended title and
 - (9) Any Enterprise IT positions.
 - (10) Other titles as listed with restrictions in the TTUHSC Pay Plan.
8. **Non-Exempt Employees.** TTUHSC will adhere to all regulations regarding overtime pay and record-keeping promulgated under the Fair Labor Standards Act (FLSA).
- A team member in a non-exempt (N) position under the 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, through time clock entries in Time Clock Plus (TCP) for each pay period. The team member is expected to report all time worked accurately and in a timely manner.
- It is the responsibility of the time approver to ensure adherence to this requirement and to certify that the reported hours are correct.
9. **Exempt Employees.** A team member employed in a position designated exempt (E) in the pay plan is not required to report daily worked hours. Exempt team members are not entitled to overtime pay and are paid for the accomplishment of assigned tasks without accounting for hours worked or being entitled to overtime pay.
- Exempt team members shall report leave in accordance with the Texas Tech University System Regulation [10.10 Employee Leave](#) when working less than 40 hours in a work week. Leave time is reported through the Texas Tech online Web Leave Report (WLR) System.
10. **Longevity Pay.** Eligible employees are entitled to longevity pay in recognition of their extended service, as provided by applicable state laws. Eligibility for longevity pay is determined based on the team member's status on the first workday of each month. For further details and requirements, refer to the [Texas Government Code, Sections 659.041-659.047](#).

- a. *Eligibility.* Longevity pay is provided to regular full-time, benefits-eligible staff employees on the first workday of the month who are not on leave without pay on that day and have at least 2 years of lifetime service credit accrued by the last day of the preceding month. This will include administrative academic employees who have a primary position title of Academic Dean, Regional Dean, Assistant or Associate Provost, Vice Provost, Senior Vice Provost, or Provost.
 - b. *Ineligible Employees.* The following employees are not eligible for longevity pay:
 - (1) Employees who are paid in whole or in part from faculty salaries to teach are not eligible for longevity pay.
 - (2) Employees in positions requiring student status as a condition of employment.
 - (3) Retirees who returned to state employment on or after September 1, 2005, and who receive an annuity from a public retirement system.
 - c. *Longevity – Service Credit.* Employees accrue lifetime service credit for any period served in a full-time, part-time, temporary, faculty, student, or legislative position with the State of Texas, as provided in [Texas Government Code, Section 659.046](#). Time need not be continuous.
 - (1) Service credit excludes periods served in hazardous-duty positions if the employee is entitled to hazardous-duty pay.
 - (2) Employees previously employed by Texas Tech University, Texas Tech University Health Sciences Center, another state institution of higher education, or other Texas state agencies are required to provide Human Resources with written verification of prior service to confirm service credit.
 - (3) Employees on leave without pay for an entire calendar month do not accrue service credit for that month.
11. **Hazardous Duty Pay.** Hazardous duty pay is included in the compensation paid to an individual for services rendered during a month if the individual has completed at least 12 months of lifetime service credit in a hazardous duty position not later than the last day of the preceding month and is a commissioned peace officer of an institution of higher education. For further details and requirements, refer to the [Texas Government Code, Sections 659.301-659.308](#).
- a. *Eligibility.*
 - (1) Applies to commissioned peace officers or other qualifying employees as defined by state classifications.
 - (2) Requires at least 12 months of lifetime service credit in a hazardous duty role.
 - (3) Employees transferring from hazardous-duty roles to non-hazardous positions will no longer receive hazardous-duty pay. They will qualify for longevity pay based on total state service, including hazardous-duty service.
 - (4) Full-time employment on the first workday of the month is required for eligibility; part-time pay is proportional.
 - (5) The employing agency is responsible for hazardous-duty pay on the first workday of the month.
 - b. *Hazardous Duty Pay – Service Credit.*
 - (1) Service time accrued in hazardous duty roles is maintained separately from longevity service credit and cannot be combined with it for longevity pay purposes.

12. **Administration and Oversight.** All changes to a team member's position, salary, or other classification and compensation matters, must be reviewed and approved by Human Resources before any offer or communication is made to the employee. Human Resources retains authority and ability to review, evaluate, approve, or deny compensation transactions in accordance with, but not limited to, [HSC OP 10.11 Delegation of Authority](#) or as under [Regents' Rule 07.04.4\(c\)\(2\)](#):
- (1) Reclassifications
 - (2) Promotions
 - (3) Salary reviews
 - (4) Position classification determination
 - (5) Performance incentives or merit increases
 - (6) Development and oversight of the TTUHSC pay plan administration
 - (7) All other related classification and compensation matters
 - (8) State service records to determine eligibility
 - (9) Verification of documentation for service credit
13. **Compensation Administrative Procedures and Resources.** Detailed information can be found on both the Human Resources [Compensation](#) webpage and the Human Resources [Administrative Procedures](#) webpage.
14. **Authoritative References.** Longevity Pay – [Texas Government Code, Section 659.041–659.047](#) and Hazardous Duty Pay – [Texas Government Code, Section 659.301–659.308](#).
15. **Right to Change Policy.** TTUHSC reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time without the consent of its employees.