

UNIVERSITY RULE

31.01.01.M5 Flexible Compensation Programs

Approved February 26, 2001

Revised September 12, 2001

Next Scheduled Review: Currently Under Review

Supplements [System Policy 31.01](#) and System Regulation [31.01.01](#)

1. GENERAL

- 1.1 Texas A&M University is committed to providing supervisors and managers with flexible monetary and non-monetary compensation tools to recognize and reward outstanding performance by non-faculty employees. “Outstanding performance” is defined as an overall annual performance appraisal rating of “exceeds expectations” or higher [or equivalent language in modified performance evaluation forms approved by the Human Resource Department], and other eligibility criteria defined in related procedures.
- 1.2 Flexible Compensation awards are granted for exceptional work performance or initiative and are not considered to be entitlements. Funding for the programs must be budgeted within existing departmental sources and, in the case of Job-Related Skill Enhancement Pay, must be sustainable in future budgets.
- 1.3 Implementation of these monetary and non-monetary flexible compensation tools within each division of the University is at the discretion of the respective vice president. The vice president for each division is authorized to approve these award actions. This authority may be further delegated. Written confirmation of delegation of authority to approve Flexible Compensation Program awards should be sent to Payroll Services.

2. NON-MONETARY FLEXIBLE COMPENSATION

- 2.1 Administrative Leave With Pay: As authorized by the provisions of the Texas Government Code and System Regulation 31.03.03, the Administrative Leave With Pay Program is established to provide an avenue to award non-monetary compensation to employees for outstanding performance. Administrative Leave With Pay may be granted to an employee whose job performance and productivity meet the eligibility criteria and are significant enough to warrant special recognition. (See [Standard Administrative Procedure 31.01.01.M5.01](#) for implementing procedures.)

3. MONETARY FLEXIBLE COMPENSATION

- 3.1 Job-Related Skill Enhancement Pay: Job-Related Skill Enhancement Pay may be awarded to employees who take the initiative, through their own efforts, to

increase their job worth by completing a prescribed program of study to achieve a higher level of skill in their job field. A Job-Related Skill Enhancement Pay increase may be awarded to employees who master a body of knowledge directly related to their job by completing academic degrees or achieving professional certifications such as a Certified Public Accountant, Master Craftsman, Professional Secretary, etc. This monetary award is added to the employee's base pay. (See [Standard Administrative Procedure 31.01.01.M5.03](#) for implementing procedures.)

- 3.2 One-time Merit Payment: A One-time Merit Payment may be granted to an employee whose job performance and productivity meet the eligibility criteria and are significant enough to warrant special recognition. This monetary award is not added to the employee's base pay. (See [Standard Administrative Procedure 31.01.01.M5.02: One-time Merit Payments](#), for implementing procedures.)
- 3.3 Determination of the maximum percent increase, as specified in [Standard Administrative Procedures 31.01.01.M5.03: Job-Related Skill Enhancement Pay](#), and [31.01.01.M5.02: One-time Merit Payments](#), shall be established by the University vice presidents.

OFFICE OF RESPONSIBILITY: [Human Resources Department](#)