STANDARD ADMINISTRATIVE PROCEDURE

31.01.01.M0.01 Employee Compensation Administration

Approved January 4, 1999
Revised March 29, 1999
Revised July 5, 2001
Revised July 29, 2003
Revised June 8, 2006
Revised September 30, 2010
Revised May 10, 2012
Revised April 15, 2020
Revised April 14, 2021
Revised October 1, 2025
Next scheduled review: October 1, 2030

Standard Administrative Procedure Statement

This standard administrative procedure (SAP) is set forth to provide guidance on compensation administration for Texas A&M University, including all associated regional and branch campuses (i.e., Texas A&M University at Galveston and Texas A&M University at Qatar), and Texas A&M University Health Science Center. All will be referred to as TAMU for the purposes of this SAP.

TAMU is committed to attracting, retaining, and rewarding a qualified workforce. Within the boundaries of financial feasibility, employee compensation shall be externally competitive and internally consistent. This SAP provides consistency in salary actions and compliance with federal and state laws, Texas A&M University System (TAMUS) policies and regulations, and the System-wide Pay Plan (SWPP) administration program guidelines.

This SAP applies to all position categories listed in System Regulation *31.01.01, Compensation Administration*, excluding board-appointed positions.

The following units are identified as the responsible party for compensation administration: The Division of Human Resources and Organizational Effectiveness (HROE) is responsible for staff, student, and temporary/casual positions; University Faculty Affairs is responsible for faculty positions; and the Graduate and Professional School is responsible for graduate assistant positions.

Definitions

Base Pay - a fixed amount of money an employee receives for their work, excluding additional compensation such as supplemental compensation or allowances. This can be expressed as either

an hourly wage or an annual salary and is determined by the agreed-upon terms between the employer and employee prior to starting work.

Compa-Ratio - a calculated metric reflecting where an employee's salary aligns with the market median in relation to their individual competency within the job profile.

Full-Time Employee – employees that are in a budgeted position.

Retroactive Pay - refers to compensation for work that has already been performed but was not approved and paid at the appropriate time. Such actions without proper documentation are prohibited under the Texas Constitution, Article III, Section 53. The rationale behind this prohibition is to prevent misuse of public funds by ensuring that compensation is determined and agreed upon before the work is performed.

Newly Hired - a first-time budgeted employee (not previously employed in a budgeted position with TAMU) or a rehired budgeted employee (an individual who has not held a budgeted position for TAMU, within the 30 days preceding their current start date).

Market Median - represents the midpoint of salaries for a specific role within a given market, thus half of the companies in the market pay above the median and half pay below.

TAMU Market Minimum - the established starting pay for a given job profile which is developed using the eighty-fifth percent (85%) of the market median and factoring recruitment challenges and external pressures as they apply.

University Minimum Pay Standard - the lowest permissible compensation rate for staff positions. This rate is determined using a variety of factors, to include but not limited to comparable market data, living wage data, and recruitment challenges.

Procedures and Responsibilities

1. GENERAL

    1.1 TAMU utilizes and adheres to the Texas A&M System-wide Pay Plan (SWPP) as outlined in System Regulation, *31.01.01 Compensation Administration*.

    1.2 TAMU has adopted a University minimum pay standard for staff positions. No staff position shall be paid below this established standard.

        1.2.1 The University minimum pay standard is determined by using applicable market, living wage data, and recruitment challenges.

        1.2.2 The University minimum pay standard is reviewed periodically by HROE Classification and Compensation and strives to align with TAMU sustainability goals.

1.3 TAMU's compensation philosophy is to offer a competitive, market driven compensation plan for staff positions that will be managed by HROE Classification and Compensation.

1.3.1 When the market rate for a position is below the University minimum pay standard, the University minimum pay standard will be used as the starting rate.

1.4 Personnel actions must be processed in accordance with the requirements of this SAP and all other requirements stipulated in system regulations and additional SAPs relating to compensation types.

1.5 Verbal agreements or promises regarding compensation are not valid. Personnel actions are only effective upon completion of the appropriate approval process outlined in the corresponding standard administrative procedure.

1.6 Compensation changes under the purview of HROE, should be effective at the start of the next available pay period after documented final approval has been obtained. Exceptions to this are:

1.6.1 An alternative effective date will be allowed if another related compensation change SAP specifically indicates an effective date other than that of the start of the next available pay period.

1.6.2 In situations where an alternative effective date is needed for a business reason, the college/school/division requestor (e.g., Department Head, Dean/Vice President or designee) must collaborate with the HROE Director of Classification and Compensation prior to seeking approval(s) from the next in line approver.

1.7 State law prohibits retroactive salary increases, in accordance with Article III, Section 53 of the Texas Constitution.

1.8 The base pay of a full-time employee is not to be increased by virtue of funding from a grant or contract. In such cases, the salary is funded in accordance with the portion of time spent on assigned duties. Contact the Division of Research for additional guidance.

1.9 Exempt or nonexempt status will be determined by HROE Classification and Compensation based on the job profile assigned within the SWPP and criteria established in the Fair Labor Standards Act (FLSA).

1.10 All colleges/schools/divisions are encouraged to adopt a TAMU market strategy and have all staff paid at or above the TAMU Market Minimum.

1.11 For staff positions categorized as commensurate in the SWPP, recommended compensation ranges will be provided by HROE Classification and Compensation.

1.12 The Dean/Vice President's approval authority may be delegated in writing using the HROE Delegation of Authority form (CCF01). This delegation must be on file with the appropriate HROE Hub.

2. SALARY OFFERS RESULTING FROM THE HIRING PROCESS

2.1 For Faculty hiring, refer to the University Faculty Affairs website for procedures.

2.2 For Graduate Student hiring, refer to the Graduate and Professional School's website for procedures.

2.3 For Student Worker hiring, refer to the Jobs for Aggies website for procedures.

2.4 For Research hiring, refer to the Division of Research website for procedures.

2.5 For all other groups, hiring managers are encouraged to collaborate with their HROE Hub and Finance Partner prior to making an offer to a candidate, to establish an appropriate rate based on the individual's qualifications and/or internal considerations.

2.6 For job titles or groups that have adopted a TAMU market strategy:

2.6.1 To determine if the job title or group has adopted a market rate strategy, consult with the appropriate local HROE Hub.

2.6.2 Departments will not pay below the adopted TAMU market minimum for the associated job profile.

2.6.3 Department Heads have authorization to approve starting salary rates up to the midpoint of the pay grade of the associated job profile or the negotiated maximum rate of the associated job profile, whichever is greater.

2.6.4 Dean/Vice President or designee have authorization to approve salary rates up to the maximum of the pay grade of the associated job profile.

2.6.5 Requests that exceed the job profile's pay grade will require approval of the Dean/Vice President or designee and, through HROE Classification and Compensation, the President or designee.

2.7 For job titles or groups that have not adopted a TAMU market strategy, refer to the SWPP assigned pay grade for each job profile.

2.7.1 Department Heads have authorization to approve starting salary rates up to the midpoint of the pay grade of the associated job profile.

2.7.2 Dean/Vice President or designee have authorization to approve salary rates up to the maximum of the pay grade of the associated job profile.

2.7.3 Requests that exceed the job profile's pay grade will require approval of the Dean/Vice President or designee and, through HROE Classification and Compensation, the President or designee.

3. PAY INCREASES FOR CURRENT EMPLOYEES

3.1 It is the practice of TAMU to award salary increases through the regular budget cycle; however, flexibility is available to respond to business needs on a case-by-case basis.

3.2 When considering increasing a current employee's base pay, managers are encouraged to utilize HROE's Compa-Ratio tool to determine an appropriate base pay based on performance and/or abilities, assuming the availability of funding.

4. INCREASE TYPES FOR CURRENT EMPLOYEES

4.1 Across-the-Board Increases - a uniform rate increase within prescribed guidelines, usually by legislative enactment, without regard to individual merit of employees. These may take the form of a flat rate or a common percentage increase.

4.2 Staff Counteroffer - a formal offer to increase a staff employee's base pay in exchange for remaining with the organization after receiving a credible offer of employment from outside of the employee's current college/school/division. Counteroffers should be used only when an employee possesses specialized knowledge, skills, and abilities that are critical to the position, are not easily replaceable and their function is crucial to the success of the college/school/division. For criteria and approvals required for this type of pay increase, see University SAP *31.01.01.M0.02, Staff Counteroffer*.

4.3 Staff Hiring Salary Adjustments - an increase to base pay that may be granted to a newly hired budgeted employee who has specific knowledge, skills, abilities, and/or experiences above the minimum qualifications required for their position that were not known and thus not considered in the employee's compensation at the time of hire. For criteria and approvals required for this type of pay increase, see University SAP *31.01.01.M0.04, Staff Hiring Salary Adjustments*.

4.4 Staff Job-Related Skill Enhancement Pay - an increase that may be given for obtaining a degree, certification, or license to recognize and reward budgeted staff employees who take the initiative through their own efforts to increase their job worth and significantly enhance their value to the organization. For criteria and approvals required for this type of pay increase, see University SAP *31.01.01.M0.05, Staff Job-Related Skill Enhancement Pay*.

4.5 Staff Market Adjustments - a change in pay for a staff employee to recognize the appropriate value of a job in the labor market as determined by established and credible salary survey data and sources; and approved by HROE Classification and Compensation. For criteria and approvals for this type of adjustment, see University SAP *31.01.01.M0.07, Staff Market Adjustments*.

4.6 Merit Increases - increases granted to employees in recognition of meritorious performance with no change in titles. For criteria and approvals required for this type of pay increase, see University Rule *31.01.08.M1, Merit Salary Increases.*

4.7 Non- Faculty Other Salary Adjustments - on occasion, additional salary adjustments may be warranted for non-faculty employees for a variety of reasons not addressed in other SAPs. For criteria and approvals required for these types of adjustments, see University SAP *31.01.01.M0.08, Non-Faculty Other Salary Adjustments*.

4.8 Pay Grade Changes - increases that occur when adjustments are made by the System-wide Pay Plan (SWPP).

4.9 Promotion Increases - an increase that may occur when a staff employee moves from one job profile to another job profile requiring higher qualifications, a higher rate of pay, and a title change. For criteria and approvals required for this type of pay increase, see University SAP *31.01.01.M0.03, Non-Faculty Job Changes*.

4.10 Staff Temporary Salary Increase - an increase that may be given to a staff employee who temporarily takes on additional responsibilities vital to the organization that are outside of their regular job duties. For criteria and approvals required for this type of pay increase, see University SAP *31.01.01.M0.06, Staff Temporary Salary Increase*.

4.11 For additional information on each of these increase types, contact the appropriate HROE Hub.

5. METHOD OF SALARY PAYMENT/RECORDS

5.1 Employees paid on a salary basis are paid in monthly installments. Employees paid on an hourly basis are paid an hourly rate on a biweekly pay schedule (as determined by payroll processing calendars).

5.2 Monthly salaries are paid on the first working day of the following calendar month unless the first working day is a designated state or national holiday, in which case monthly salaries will be paid on the first working day after the holiday. Biweekly payments are typically paid on Fridays, every other week, in accordance with payroll processing calendars.

5.3 Records and reports associated with salary and wage payments required by federal and state law, regulation, and by accounting systems of A&M System members are incorporated in the Workday system and other related budget or accounting systems/databases.

Related Statutes, Policies, or Requirements

Texas Constitution, *Art. III, § 53*

System Regulation *31.01.01, Compensation Administration*

University Rule *31.01.08.M1, Merit Salary Increases*

University SAP *31.01.01.M0.02, Staff Counteroffer*

University SAP *31.01.01.M0.03, Non-Faculty Job Changes*

University SAP *31.01.01.M0.04, Staff Hiring Salary Adjustments*

University SAP *31.01.01.M0.05, Staff Job-Related Skill Enhancement Pay*

University SAP *31.01.01.M0.06, Staff Temporary Salary Increase*

University SAP *31.01.01.M0.07, Staff Market Adjustments*

University SAP *31.01.01.M0.08, Non-Faculty Other Salary Adjustments*

Contact Office

For information or clarification on this SAP, contact
Human Resources and Organizational Effectiveness, Classification & Compensation

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Office of Responsibility

Human Resources and Organizational Effectiveness