

COMPENSATION

Compensation	4.1
Commonwealth of Virginia Compensation Philosophy	4.1.1
Fair Labor Standards Act (FLSA).....	4.1.2
Compensation of Classified Staff	4.1.3
Compensatory Leave	4.1.4
Overtime	4.1.5
Pay Practices	4.1.6
Student Employment.....	4.1.7
Wage Employment.....	4.1.8

COMPENSATION

4.1

The administration of a compensation system encompasses the adjustment and monitoring of salaries within a broad-band structure and the assignment of positions to particular roles and career groups. Pay designation is based upon prevailing competitive rates for similar jobs, recruiting difficulties, turnover, and internal consistency with comparable roles within the State classified system. In addition, compensation involves developing and administering compensation policies such as performance increase, promotion, and transfer policies, which motivate employees.

Salary Administration Philosophy and Policies

Radford University will allocate sufficient funds to attract, retain, and develop a competent and committed workforce and to appropriately recognize and reward achievements and contributions of employees. The following are the underlying principles of this philosophy:

- An individual's pay is influenced by external labor markets, internal equity concerns, sustained employee performance, and availability of institutional financial resources.
- Focus is on total compensation.
- The development of relevant skills and competencies is supported and recognized.

COMMONWEALTH OF VIRGINIA COMPENSATION PHILOSOPHY

4.1.1

It is the policy of the Commonwealth to pay wages to its employees based on a structure that is competitive with the private sector market that will allow it to attract, motivate, and retain qualified employees at all levels of service and that is consistent with budgetary and other fiscal limitations. In addition, the Commonwealth of Virginia is committed to providing a performance management process that rewards employees for their work contributions in a fair and equitable manner.

FAIR LABOR STANDARDS ACT (FLSA)

4.1.2

The basic provisions of the FLSA require the payment of time-and-one-half overtime to non-exempt employees for hours actually worked over 40 within one workweek. The Act sets a minimum wage that must be paid to all covered employees. There are also child labor provisions, equal pay provisions, and guidelines for record keeping.

All employees of the Commonwealth fall under the provisions of the Fair Labor Standards Act (FLSA). Some employees are exempt from its provisions depending upon the type of position they occupy. For purposes of FLSA, each position must be identified as exempt or non-exempt. All positions in Pay Bands 1 – 2 and most positions in Pay

Band 3 are non-exempt and should be paid time-and-one-half overtime. The University reviews positions in Pay Bands 3 - 4 on a position-by-position basis to determine the exempt or non-exempt status. All positions in Pay Band 5 or above are exempt and the university is not required to pay overtime pay.

COMPENSATION OF CLASSIFIED STAFF

4.1.3

The salary for a new employee in a classified position may not be below the minimum for the appropriate pay band based on job requirements. However, new employees or rehires may negotiate with the department for a salary up to 15% above their current salary not to exceed the maximum of the pay band if the position has been competitive. The department must address the following thirteen (13) pay factors before reaching a decision on any salary action:

Agency Business Need	Duties & Responsibilities
Performance	Work Experience & Education
Internal Salary Alignment	Market Availability
Salary Reference Data	Total Compensation
Budget Implications	Long Term Impact
Current Salary	Training, Certification, Licensure, etc
Knowledge, Skills, Abilities & Competencies	

COMPENSATORY LEAVE

4.1.4

It is the Commonwealth's objective to provide eligible employees with paid leave as compensation for additional hours worked during specific times. Compensatory leave is paid time off for an eligible employee's having worked on an official office closing day, a holiday, or when a holiday falls on an employee's scheduled rest day, i.e. Saturday or Sunday. Eligible employees earn compensatory leave on an hour-for-hour basis. Accrued compensatory leave must be used within twelve months of the date it is earned or the leave time is lost. University policy does **not** permit employees to earn time and one-half compensatory leave in lieu of overtime pay. When the Inclement Weather Policy is implemented, **designated** employees earn compensatory leave, on an hour-for-hour basis, for working their regular shift.

OVERTIME

4.1.5

It is the policy of the University to comply with the Fair Labor Standards Act (FLSA) by paying time and one-half for all work performed by non-exempt* employees in excess of 40 hours in a work week.

The standard work week for most University full-time employees begins at 12:01 a.m. on Saturday and ends at 12:00 midnight the next Friday. The workweek for wage employees begins at 12:01 a.m. on Wednesday and ends at 12 midnight the following Tuesday.

All hours **actually** worked during a work week are totaled and any hours worked in excess of 40 for the week will be considered overtime. The employee will be paid time and one-half for the excess hours.

Note: The Commonwealth allows state employees to receive time and one-half leave for overtime hours worked in lieu of pay. However, Radford University has not adopted this option. University non-exempt employees who work over 40 hours in a work week will always be paid time and one-half for those hours.

Employees required to work on a University holiday will earn compensatory leave for hours actually worked.

Emergency Overtime: In emergency situations, any non-exempt employee who is called into work will be paid overtime (time and one-half) for the hours worked, even if the total hours actually worked for that week does not exceed 40. This also applies to any non-exempt employee required to work extra hours because of an emergency. It is not necessary for the employee to leave work and then be called back on the job to qualify for emergency overtime.

Wage employees are automatically non-exempt because they are hourly workers. Therefore, any wage employee that works more than 40 hours in a workweek is eligible for time and one-half overtime pay.

Procedure:

The classified employee's department initiates a [Paid Overtime Authorization, PR26](#), request and forwards the form to the Human Resources Office after the dean/director/department head has signed for approval. A separate PR26 must be completed for overtime worked in a different workweek. When listing the employee's name, please do not use nicknames (the name should appear as it does on the employee's social security card) and be sure the social security number is correct. In the space provided for "Total hours worked" please indicate the total number of hours actually worked in that workweek by the employee (not the total number of overtime hours worked). If the overtime payment is to compensate an employee for an emergency call-in, please note "EC" after the date and number of hours. After approval by the Human Resources Office the PR26 is then forwarded to the Payroll Office for processing of payment.

Overtime payments for **wage** employees are processed based on the information submitted on the employee's time card to the Payroll Office. No special form or process is required.

If you are unsure as to which of the positions in your department qualify for overtime pay, please contact the Human Resources Office.

PAY PRACTICES

4.1.6

Pay practices include starting pay, promotion, voluntary transfer, voluntary demotion, temporary pay, role change, in-band adjustment, disciplinary or performance-related salary action, or competitive salary offer. Specific information dealing with each of these pay practices and the pay guidelines associated with each can be found at www.radford.edu/~pers-web under the section for Compensation.

STUDENT EMPLOYMENT

4.1.7

Currently enrolled students may be employed as wage employees by University departments. The wage rate may range from minimum wage to \$25.00 per hour depending on the services being provided to the University. It is not necessary to complete a PR23, Personnel Action Authorization, form to employ student workers, nor is it necessary to advertise wage positions to be filled by **currently enrolled** students.

Procedure:

1. An approved PR23 is not required to hire student employees. The hiring department initiates a PR40, Personnel Action Form. Obtain the appropriate signature approvals and forward the PR40 to the Human Resources Office. The HR Office will approve the PR40 and distribute a copy to the Budget Office and a copy to the Payroll Office to process payment.
2. Student wage employees are responsible for recording hours worked on an hourly wage time card, signing the card, and submitting to his/her supervisor for signature. The approved card is forwarded to the Payroll Office by the appropriate deadline for processing of payments.

WAGE EMPLOYMENT

4.1.8

The starting wage for non-student employees (1500 hour wage or \leq 120 day hires) will be equivalent to the authorized salary range for comparable positions in the same role.

The workweek for wage employees begins at 12:01 a.m. Wednesday and ends at 12 midnight the following Tuesday.

Procedure:

1. The hiring department initiates a PR23, Personnel Action Authorization. The PR23 is processed for the appropriate signature approvals and the completed form is forwarded to the Human Resources Office (Box 6889). HR will validate the appropriate classification and wage rate and then distribute a copy of the approved PR23 to the Budget Office and a copy to the initiating department.
2. When the department has identified the specific individual to be hired for

the wage position, the department completes a PR40, Personnel Action form, and routes for the appropriate signature approvals. After approval by the HR Office, a copy of the PR40 will be distributed to the Budget Office and a copy to the Payroll Office for processing.

A representative from the HR Office will telephone the hiring department and advise them of the approval and authorization to hire.

3. The wage employee is responsible for recording hours worked on an hourly wage time card*, signing the card, and submitting to his/her supervisor for signature. The approved card is forwarded to the Payroll Office by the appropriate deadline for processing of payments.

* Pink – Hourly Wage

Blue – Student wage

(See appendix at end of this chapter for samples)