UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0405  SUBJECT: COMPENSATION PHILOSOPHY
EFFECTIVE: 03/31/2011  REVISION NO: 4

OBJECTIVE:

POLICY:

As a higher education system charged with serving the citizens of Tennessee, we recognize our faculty and staff as our most critical asset and our principal source of excellence. In order to achieve our mission of teaching, research and service, we must attract, retain and reward a highly-qualified workforce. We achieve this objective by providing a total compensation package including base pay, benefits, personal and professional development, and the intrinsic values of working in an education environment. Our three guiding principles are:

1. The University's goal is to provide total compensation that is competitive within the relevant labor markets in which we compete to attract highly-skilled and competent employees.

2. The University recognizes skills, experience and performance of faculty and staff and seeks to retain and develop employees by providing opportunities for learning, growth and career development.

3. The University's policies and practices are consistent with equal opportunity principles and applicable laws.

We recognize that there are many talents and contributions necessary to support the University of Tennessee. Compensation policies and procedures will support the university's strategic direction over the long term.

RELATED POLICIES:

PROCEDURES:

Knoxville: http://hr.utk.edu/policies.shtml
Health Science Center: http://www.uthsc.edu/policies/w932_document_list.php?app=HR
Space Institute: http://personnel.utsi.edu/procedures/index.html
Chattanooga:
Martin:
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0432        SUBJECT: LONGEVITY PAY

EFFECTIVE: 07/01/2013        REVISION NO: 13

OBJECTIVE:

To recognize faculty and staff for their years of service with the university and state.

POLICY:

1. After completing 36 full-time equivalent (FTE) months of service at 82.05 percent time or more with the University of Tennessee, the Tennessee Board of Regents, and/or any other other agency of the state of Tennessee, employees are eligible to receive longevity pay as authorized by state law.

2. Twelve-month employees who are in an active pay status for one or more days during their longevity anniversary month are eligible for the longevity payment for that fiscal year. Nine-month and flex-year employees must be in an active pay status the last day of the month which immediately precedes their longevity anniversary month in order to be eligible for payment.

   NOTE: Special guidelines apply to faculty and staff who are retiring, who are on approved leaves of absence, or who are terminating employment with the university. UT Extension employees who receive federal benefits are not eligible for longevity pay, but instead will receive step pay.

3. Longevity is paid at the rate of $100 times the number of years of years of service. The maximum benefit level is 30 years.

4. Longevity pay is distributed on the 19th of the month following the employee's longevity anniversary month, unless the 19th falls on a weekend or holiday. Employees with June anniversary dates are an exception and will receive payment in June.

5. Longevity pay is subject to federal income tax withholding and Social Security/Medicare taxes at the prevailing rates. Longevity pay is included when calculating retirement benefits and overtime payment.
GUIDELINES

UNIVERSITY OF TENNESSEE SYSTEM
HUMAN RESOURCES POLICY

GUIDELINES NO.: HR0432 SUBJECT: Longevity Pay
EFFECTIVE: 07/01/2013 REVISION NO:

An eligible employee's longevity date will initially be established as the first day of the month in which the employee becomes eligible for longevity. Subsequent changes to an employee's longevity service, or to re-establish a longevity date, may be made only by completing a LONGEVITY PAY CERTIFICATION FORM (LPCF). The LPCF must be initiated and signed by the employee and the department head and forwarded to the campus human resources office.

Eligible Service

1. Service with the University of Tennessee (university), Tennessee Board of Regents (TBR) and the state of Tennessee may qualify as eligible service for longevity purposes. The following types of service are considered eligible service when establishing an employee's years of service for longevity:

   a. Effective January 1, 2002:

      All regular full-time and part-time service at 82.05 percent time or more

      Temporary or term full-time or part-time service at 82.05 percent or more (when that service immediately precedes the eligible regular service with the state agencies listed above) is credited for longevity purposes at 100 percent. Prior to January 1, 2002, with the exception of item b below, all eligible part-time service with any of these agencies is converted to full-time equivalent service for longevity purposes.

   b. All regular part-time service from January 1, 1987, through June 30, 1994, during periods when the employee was scheduled to work an annual schedule of at least 77% time; during this period full longevity credit is given for each month of part-time service.

   c. All regular part-time service, plus all term part-time service that immediately precedes eligible regular service, providing that the total of all the part-time service is equivalent to not less than five years of full-time service

   d. Periods during which the eligible employee is on approved leave with pay

   e. Periods during which the eligible employee is on leave of absence without pay due to an on-the-job injury and is receiving compensation from the state for lost time. Employees are encouraged to contact the campus human resources office to ensure any such time is credited for longevity purposes.

   f. All military service, including summer camp that coincides with employment at the university, TBR, or Tennessee state government

Ineligible Service

2. The following types of service are considered ineligible service when establishing an employee's years of service for longevity:

   a. All regular service less than 82.05% time with the exception of items 1b and 1c above

   b. Temporary or term service, which does not immediately precede regular full-time or eligible part-time service

   c. Service as a student employee

   d. Service with elementary or secondary (K-12) public schools
e. Periods during which the employee is on leave without pay except when the employee is on approved leave of absence without pay due to an on-the-job injury and is receiving compensation from the state for lost time. When employees return to work they should contact the human resources office to complete a new LPCF.

f. Services rendered in addition to the employee's regular duties including the services of faculty for teaching summer school

g. Military service prior to employment with or after termination from the university, TBR, or Tennessee state government

Rehires

3. Employees who have prior service with the university, TBR, or state agencies and who are rehired by the university will receive their longevity payments in accordance with their reconstructed longevity anniversary month. However, payment will be made no sooner than six months from the month of rehire. Subsequent payments will be paid on the 19th of the month following the longevity anniversary month unless the 19th falls on a weekend or holiday.

Transfers

4. Employees who transfer from one state agency to another without a break in service are eligible for longevity compensation in accordance with their longevity anniversary month. In such cases, the six-month waiting period requirement for rehires is not applicable.

Status Change

5. Employees may become eligible for longevity due to a change from ineligible regular part-time, term, or student to a regular, full-time or eligible part-time status.

6. Employees who change from a regular eligible status to an ineligible part-time or student status prior to their longevity anniversary month and who remain in that status for the balance of the fiscal year are not eligible to receive longevity pay for that fiscal year.

7. Since most status changes for nine-month faculty or flex-year employees occur on August 1, employees in this status whose longevity anniversary month is August or September will be eligible for the longevity pay if the status change to an ineligible status is effective August 1.

Leaves of Absence

All eligible employees who are on leave of absence without pay due to an on-the-job injury and are being compensated by the State Division of Claims Administration (workers’ compensation) will be considered as being in an active pay status for purposes of establishing their eligibility to receive longevity pay.

8. The guidelines for determining eligibility and month of payment follow.

a. Twelve-Month Employees:

i. Twelve-month faculty and staff who are on leave without pay but are in an active pay status during some portion of their anniversary month are entitled to longevity payment for that fiscal year.

ii. All employees who are on non-Family Medical Leave of Absence (FMLA) without pay are entitled to longevity payment on their adjusted longevity anniversary date upon return from said unpaid leave.

b. Nine-Month Faculty or Flex-Year Employees:
i. Nine-month faculty or flex-year employees who are in an active pay status the last working day of the month which immediately precedes the longevity anniversary month are entitled to the longevity payment for that fiscal year.

ii. All employees who are on non-FMLA without pay are entitled to longevity payment on their adjusted longevity anniversary date upon return from said unpaid leave.

**Termination of Employment**

9. The following longevity pay guidelines apply to persons who terminate their employment with the university for any reason other than retirement.

   a. Twelve-Month-Employees:

      Twelve Month faculty and staff must be in an active pay status at least one day during their longevity anniversary month to qualify for the longevity payment for the current fiscal year. Persons in this category who terminate prior to their longevity anniversary month are not eligible to receive the longevity payment.

   b. Nine-Month Faculty or Flex-year Employees:

      Nine-Month faculty or flex-year employees whose longevity anniversary month is August or September (October for part-time employees) must complete the academic year or flex-year and have a termination date no earlier than July 31 to qualify for the payment.

**Retirement**

10. The following longevity eligibility guidelines apply to faculty and staff who are retiring from the university.

   a. Twelve-Month Employees:

      Twelve-Month faculty and staff are eligible for longevity pay provided they are in an active pay status on the next to last calendar day of the month which immediately precedes their longevity anniversary month. For example, an employee who has a longevity anniversary month of July and plans to retire June 30 must be in an active pay status on June 29 to be eligible for the longevity pay.

      Faculty retiring June 30 will receive longevity pay if their longevity anniversary month is July, August or September (October for part-time faculty).

   b. Nine-Month Faculty or Flex-year Employees:

      Nine-month faculty are eligible for longevity pay provided they are in an active pay status on the next to last calendar day of the month which immediately precedes their longevity anniversary month. For example, an employee who has a longevity anniversary month of January and plans to retire December 31 must be in an active pay status on December 30 to be eligible for longevity pay for that fiscal year.

      Nine-Month faculty or flex-year employees who retire after completing their responsibilities for that academic year are eligible for the longevity pay provided their longevity anniversary month is either May, June, July, August, or September (October for part-time employees).
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0445  SUBJECT: OVERTIME COMPENSATION
EFFECTIVE: 07/01/2013  REVISION NO: 13

OBJECTIVE:

To compensate staff and student employees in non-exempt wage and hour categories who work in excess of 40 hours per week.

POLICY:

1. Any work by a non-exempt student or staff employee that exceeds 40 hours in a workweek is considered "overtime." The university's workweek begins at 12:00 a.m. Monday and concludes at 11:59 p.m. Sunday. Supervisors may require employees to work overtime. An employee who wishes to work overtime voluntarily must first receive approval from an appropriate supervisor. No employee is authorized to work overtime without first receiving either instruction or approval from an appropriate supervisor.

2. When an eligible employee works overtime, the university will provide compensatory time in accordance with this policy, unless campus procedure or department practice provides for the payment of monetary compensation. The university provides compensatory time at the rate of one and one-half hours of compensatory time for every hour over 40 worked in a workweek. Overtime pay is provided at the rate of one and one-half times an employee’s regular hourly rate of pay for every hour over 40 hours worked in that workweek. Holidays and administrative closings are included in hours worked; all other leave with pay is excluded from overtime calculations.

3. Part-time employees, term employees and student employees are not eligible for compensatory time and will receive pay for overtime in accordance with this policy.

Compensatory Time Banking

4. A maximum of 240 hours of compensatory time may be banked. After the employee has banked the maximum compensatory time, any future overtime hours must be paid.

5. Payment or use of banked compensatory time is required prior to the transfer of any employee to a different account or from a non-exempt position to an exempt position. All hours banked must be paid at termination. All payments of banked compensatory time will be paid at the regular rate earned by the employee at the time such payment becomes due.

6. An employee wishing to use banked compensatory time must obtain permission consistent with departmental practices regarding the use of annual leave. Banked compensatory time must be exhausted before the use of annual leave.

Multiple Appointments

7. If an individual regularly works in more than one job position and is paid at different salary rates, any overtime is paid at the weighted average hourly rate for hours worked in that pay period.

Occasional and Sporadic Work

8. Employees who perform what is considered "occasional and sporadic work" are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) while performing that work and will be paid at the rate appropriate for that work, not at their regular hourly rate. Time spent performing occasional and sporadic work will not constitute hours worked in calculating overtime pay or compensatory time. Occasional and sporadic work must be: (1) substantially different from any job in which the employee regularly works, (2) located in a different department, (3) solely at the employee’s option, and (4) performed on an occasional and sporadic basis.

9. The university defines "occasional and sporadic" as working twelve or fewer "events" within a calendar year. Examples of "occasional and sporadic" events are shown below. These examples are not exhaustive or all inclusive.

- a sports game or competition (double-headers are considered one "event")
a performance of a play, concert, lecture, movie or other similar event;
- a camp, such as a sports related camp, or athletic tournament, the duration of which does not exceed three (3) consecutive
days;
- proctoring an examination;
- instructing a non-credit course (each class in the course is considered an "event");
- judging at a competition, provided the competition does not continue beyond three (3) consecutive days; and
- ancillary activities related to an event such as parking and/or directing traffic.

Exempt Employees

10. Exempt employees are paid on a salaried basis and are not eligible for overtime compensation. Full-time exempt employees are
expected to average at least 40 hours per week; exempt employees may be required to work more than 40 hours per week in order
to fulfill their job duties. Deductions from salary generally are not permitted and can be made only with prior approval of a
supervisor and Human Resources. Exempt employees who believe their salaries have been improperly deducted should contact
Human Resources. The university will promptly reimburse any exempt employee whose pay was improperly reduced.

RELATED POLICIES:

- F10.445. EMPLOYEE SERVICES BETWEEN THE UNIVERSITY, BOARD OF REGENTS INSTITUTIONS, AND STATE
  AGENCIES
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0455    SUBJECT: PAY RATES
EFFECTIVE: 07/01/2013    REVISION NO: 7

OBJECTIVE:

To recruit and retain qualified staff within existing policies and resources of the institution while providing salaries that balance equity and competitiveness.

POLICY:

Classification of Jobs

1. The university uses one job evaluation system for all staff positions, which evaluates jobs to determine relative and comparative hierarchy of duties and responsibilities. The job evaluation system takes into account the know-how, problem solving, and accountability required for the position. Each staff position is classified and assigned to a job family, a job title and a pay grade by Human Resources. This job evaluation system is used to help determine career and promotional paths. Human Resources reviews and approves proposals for new or revised jobs.

Salary Analysis

2. A salary analysis must be undertaken to determine an appropriate and equitable salary for employees who are newly hired, who change positions, or who undergo a job reclassification. The salary must be no less than the minimum of the position’s pay grade. Factors that should be analyzed and considered in establishing the salary include:
   - The employee’s qualifications (knowledge, skills, abilities, years of relevant experience, education, certificates/licenses) in relation to the minimum qualifications;
   - The qualifications of other employees in the same or similar job classifications;
   - The salary of other employees in the same or similar job classifications;
   - The need for the department to attract and retain quality staff;
   - Maintenance of internal salary equity;
   - The relevant market rate for the services of the employee;
   - The applicable salary schedule; and
   - Available funding.

3. The salary analysis by the department should be done in coordination with Human Resources. Recommending a salary more than 10% above the mid-point for a pay grade must be approved by the campus/unit head or designee.

Reclassifications of Current Employees

4. Promotion. A promotion occurs when 1) a current employee assumes duties that warrant reclassification of the position to a higher pay grade; or 2) Human Resources conducts a review of the position and reclassifies it to a higher pay grade. Upon promotion, the employee must receive at least the minimum salary for the position’s pay grade. The department may provide an employee with a salary increase above the minimum. The salary rate upon promotion must be determined consistently with the analysis set forth in Salary Analysis.

5. Demotion. A demotion occurs when 1) a current employee moves to a position in a lower pay grade, whether voluntarily or involuntarily; or 2) Human Resources conducts a review of the position and reclassifies it to a lower pay grade. Upon demotion, the department may reduce the employee’s salary. The salary rate upon demotion must be determined consistently with the analysis set forth in Salary Analysis.

6. Lateral transfers. A lateral transfer occurs when a current employee moves to a new position in the same pay grade. Upon a lateral transfer, the employee will not receive a salary adjustment unless the Chief Business Officer and HRO approve an exception.

https://my.tennessee.edu/pls/portal/policy.portlet_policy_view.policy_print?p_refid=509
7/23/2013
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0465  SUBJECT: SALARY INCREASE FOR PASSING CERTIFIED
ADMINISTRATIVE PROFESSIONAL EXAMINATION

EFFECTIVE: 07/01/2013  REVISION NO: 4

OBJECTIVE:

To reward regular, staff non-exempt clerical secretarial or clerical management employees or any employees performing closely related administrative support duties who pass the Certified Administrative Professional Examination.

POLICY:

Regular, non-exempt clerical secretarial or clerical management employees or any employees performing closely related administrative support duties, who take the Certified Administrative Professional (CAP) Examination administered by the International Association of the Administrative Professionals (IAAP) should contact their local human resources office to determine their eligibility before taking this examination. If they are eligible and pass the CAP Examination, they are granted a one-time nine percent increase in salary effective the next pay period beginning after the employee’s passing grades on all parts of the examination are certified by the IAAP. It is the employee’s responsibility to provide the local human resources office with the official notification from IAAP immediately upon receipt to ensure timely processing of the salary increase.
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR472  SUBJECT: SUPPLEMENTAL PAY PRACTICES
EFFECTIVE: 07/01/2013

OBJECTIVE:

To establish parameters for compensating employees in specific, defined working situations where supplemental compensation is appropriate, such as shift differentials, emergency call back, extra services pay, and temporary assignments.

POLICY:

**Shift Differential Payments**

1. Shift differential payments compensate regular and term non-exempt employees for working regularly-scheduled evening, night and/or weekend shifts or schedules. When departments determine that staffing needs require shift differential payments consistent with competitive market practices, human resources will work with department administrators and chief business officers to design shift differential rates. The following guidelines apply to shift differential payments:
   - Shift differentials are paid based on the hours actually worked, not on the hours scheduled to be worked.
   - Shift differential amounts are based on a rate per hour, for example, $0.25 per hour.
   - Shift differentials are established based on the job classification within a personnel sub-area or work center.
   - After the job class and personnel area and/or work centers are approved and established in IRIS for shift differential payments, the recording of time in IRIS for evening, night or weekend shifts determines eligibility for shift differential pay.

**Emergency Call Back Payments**

2. Emergency call back payments compensate regular and term non-exempt employees who respond to emergency calls to return to work. Upon a department's request, human resources will work with department administrators and chief business officers to design emergency call pay guidelines for the department consistent with the following:
   - An employee who has left work and is subsequently required to return to work outside of the employee's regular work hours as the result of an emergency receives either a predetermined minimum number of hours of pay or pay for the number of hours actually worked, whichever is greater.
   - Emergency call back hours recorded are considered hours worked for determining eligibility for overtime; this time is entered in IRIS as regular work hours.
   - Emergency call back pay does not apply when an employee is informed of the need to remain at work prior to the end of a scheduled shift.

**Temporary Assignments**

3. The university may, on occasion, designate regular or term, exempt (including faculty) or non-exempt employees to perform a temporary assignment in a position with a higher job classification. Examples include interim positions. The following guidelines apply to Temporary Assignments:
   - The assignment must be for a minimum of 30 days and a maximum of 12 months, unless otherwise approved by Human Resources.
   - The employee designated for a temporary assignment must assume the majority of the responsibilities of the temporary position.
   - Temporary assignments generally occur when an incumbent resigns, retires or is absent due to illness, reassignment or leave of absence. Temporary Assignments will not be approved while an incumbent is on vacation, regardless of the length of time.
   - The temporary salary increase must be approved by the human resources officer and the chief business officer.
   - The department head will provide written confirmation of the terms of the temporary assignment to the employee, a copy of which will be forward to Human Resources.

**Extra Services Payments**
4. Extra Services Pay is compensation for work in support of the university by an exempt employee or faculty member that is not part of his or her regular job duties. (This policy is not intended to supersede the provision in Faculty Handbooks regarding Compensated Outside Services. Faculty are directed to those provisions for guidance regarding that subject.) An individual may be requested to render a particular service for another unit in the university and/or to perform duties that are substantially outside the scope of the individual’s employment. Examples include:

- Presentations at conferences or workshops administered by a university department other than the employee's department.
- Providing professional services to the university that are not part of the employee’s regular duties, such as translating a document, conducting analysis, or performing at a campus event.
- Teaching courses through an academic department or the Institute for Public Service.
- Teaching summer school (not including twelve-month faculty).

5. In such instances, the individual may be eligible to receive extra services pay. It is the joint responsibility of the employee and his/her immediate supervisor to ensure that additional services will not detract from the performance of the employee’s assigned responsibilities. The employee, the employee’s regular supervisor and an appropriate supervisor in the receiving department are encouraged to agree to the terms of the work assignment in writing in advance, or as soon thereafter as possible, to ensure and support the welfare of the employee.

6. Such assignments are intended to be temporary and not ongoing staffing obligations. Extra Services Pay is subject to the following guidelines:

- Extra services by exempt staff should be performed outside the employee’s regular work schedule or annual leave should be taken.
- The rate of pay for extra services will be arranged between the employee and the director or department head receiving the service.
- Extra services pay for consulting across departments on sponsored projects may require prior approval from the granting agency.
- Extra services pay must comply with Fiscal Policy F10205 relating to salaries chargeable to federally sponsored projects.

**RELATED POLICIES:**

- F10205. SPONSORED GRANTS AND CONTRACTS
UNIVERSITY OF TENNESSEE SYSTEM POLICY
HUMAN RESOURCES

POLICY NO.: HR0480   SUBJECT: WORK SCHEDULES
EFFECTIVE: 07/01/2013   REVISION NO: 4

OBJECTIVE:
To establish standards for work schedules which accommodate both the business needs of the university and, as feasible, employee needs.

POLICY:

1. The work week is a regularly recurring period of seven consecutive twenty-four hour periods or work days beginning Monday at 12:00 a.m. and ending Sunday at 11:59 p.m. Full-time employees are scheduled to work 40 hours in each work week. Part-time employees are scheduled to work less than 40 hours per work week. An employee’s status as full-time or part-time is recorded in the university’s human resources and payroll system to determine eligibility for benefits and for other purposes. The supervisor is responsible for setting the work schedule and may alter it based upon the needs of the department.

2. Alternate work schedules may be developed and approved by the supervisor. They include, but are not limited to, the following:
   - **Job Sharing.** Two or more people share a single job for which they share accountability.
   - **Flex Time.** A work schedule composed of "core time" (e.g., 9 a.m. to 4 p.m.) when employees are required to be at work and additional regularly-scheduled work hours outside of core time.
   - **Flex Year.** Defined in Policy HR0126 as "...any time period, greater than 9 and less than 12 months, which is scheduled to accommodate the cyclical workload of university departments."
   - **Telecommuting.** A work arrangement approved by the supervisor in which employees work for at least part of their work hours at remote locations, usually at home, using computers and other telecommunications equipment to carry out their responsibilities.
   - **Compressed Work Weeks.** A work schedule in which employees work more than 8 hours per day and fewer than 5 days per week (e.g., a work week of four ten-hour days.)

3. Human Resources should be consulted when developing ongoing alternate work schedules.

4. If the employee’s scheduled hours are reduced, eligibility for benefits plan may be affected.

RELATED POLICIES:
- HR0126. FLEX-YEAR POSITIONS