



# Standard Administrative Policy and Procedure

**Subject:** Salary Distribution Policy

**Number:**

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## I. PURPOSE

In an effort to attract, retain, and reward a talented, valuable, and productive workforce, this policy outlines provisions to ensure that compensation decisions and practices are consistent and equitable, are documented and reviewed, are based on objective criteria, and ultimately contribute to the effective administration of the University of Wyoming.<sup>1</sup>

## II. POLICY

This Policy defines the salary distribution process for salary adjustments from University resources, taking into account such important factors as market, merit, compression, inversion, equity, and contributions towards the University's mission and strategic plan. This Policy does not apply to salary adjustments directly related to legislative appropriation, tenure and promotion, or job reclassification. Additionally, salary adjustments for retention purposes generally arise throughout the year and the salary distribution process is not the appropriate vehicle. The President of the University will address and approve retention requests from a separate pool based on the individual facts and circumstances and following appropriate reporting structures.<sup>2</sup>

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<sup>1</sup> Turnover of University employees is costly, and a direct opportunity cost to the primary mission of the University. The process of recruiting new employees includes processing applications; interviewing applicants, for example at a national or regional conference; flying a short list of candidates to Laramie for on-campus interviews; and negotiation with prospective hires. Start-up packages are often required to successfully recruit new faculty; these packages need not be long-lived (for example, they may entail one-time expenses for equipment, or summer support for the first few years of the new faculty member's tenure), but the expenses must be borne with any new hire. Moreover, to the extent that the salary money available in a line is inadequate to attract the prospective hire, some ancillary source of funding has to be identified. For these reasons, it is important that the line have sufficient resources associated with it to enable successful recruitment, should a new hire be required.

<sup>2</sup> If an employee does receive a salary adjustment for retention purposes, that employee will not be eligible for additional market or merit raises in the year the employee received the retention adjustment.

### III. SALARY DISTRIBUTION PROCESS

The Board of Trustees, considering economic conditions, and at the recommendation of the President of the University, shall approve the salary pool for salary adjustments.<sup>3</sup> The salary pool may be distributed based on market, merit, compression, inversion, equity, contribution towards mission or strategic plan, or a combination thereof. The President of the University shall determine the distribution and weight of the Board approved salary pool towards each salary adjustment, taking input from a salary review committee as appointed by the President. This committee shall solicit information from the Vice Presidential Divisions, Colleges, Departments, Faculty and Staff Senates.

This distribution process is wholly dependent on the University identifying and the Board of Trustees approving funding for the process.

### IV. SALARY ADJUSTMENTS

#### A. Merit Increases

Merit increases are individual percentage increases to an employee's salary based on the employee's level of performance as determined during the annual performance evaluation. Merit shall be assessed by academic and division units on the basis of expectations within their discipline, and reviewed by College and division leadership for sufficiency and consistency. A transparent process for transmitting formal annual reviews to College and Division leadership will be developed, with appropriate instruction on what is needed within the document. Annual reviews for each employee category shall be conducted using the tool identified by the University. Faculty and academic professionals may use a three-year rolling performance rating for scholarship at the discretion of the College. To use the three-year rating, the employee must have received an annual evaluation for at least three years, and the rating may only include the most recent consecutive three years.

Classified staff, administrative at-will, and athletic employees not meeting expectation or on a performance improvement plan are eligible for a salary increase. Additionally, per UW Regulation 2-10, salary increases are not available to any faculty member working under a performance improvement plan.

#### B. Market Adjustments

The process for recommending a market distribution/raise will include the same process the University uses to establish a starting salary. This approach provides both transparency and consistency.

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<sup>3</sup> Increases in salaries for promotions shall be in accordance with university regulations.

**C. Increases Based on Compression, Inversion or Equity**

A percentage of the salary pool may be used to address individual salary issues of compression, inversion or equity identified during the annual distribution exercise. The Department or Unit Head must identify the particular salary issue, access comparative salary data from Human Resources, and submit a written request following appropriate reporting structures. Once approved, the Vice President will submit the request to the President.

If salary issues of compression, inversion or equity are identified outside the timeframe for the salary distribution process, they may be addressed off-cycle by the appropriate Vice President with approval from the President.

**D. Increases Based on Contributions towards Mission or Strategic Plan**

A percentage of the salary pool may be used to address recognition of employees who contribute to the mission of the University or implementation of the University's strategic plan in ways beyond the expectations associated with their job description. The Department or Unit Head must identify the need during the annual distribution exercise, access comparative salary data from Human Resources, and submit a written request following appropriate reporting structures. Once approved, the Vice President will submit the request to the President.

These salary adjustments are ongoing and shall permanently increase the employee's base salary.

**V. ELIGIBILITY, DISTRIBUTION, AND NOTIFICATION**

All full time and part time fiscal year benefited employees hired before July 1 of the preceding year who have been continuously employed during that period will be eligible for a salary adjustment during the salary distribution process. All full time and part time academic year benefited employees hired before September 1 of the preceding year who have been continuously employed during that period will be eligible for a salary adjustment during the salary distribution process. Salary adjustments will be effective July 1 for fiscal year employees or the beginning of the academic year for academic year employees, unless otherwise communicated.

Each employee will receive a communication with any applicable or earned salary adjustment(s).

**Responsible Division/Unit:** Human Resources Department, Division of Budget and Finance

**Source:** None

**Links:** <http://www.uwyo.edu/regs-policies>

**Associated Regulations, Policies, and Forms:** UW Regulation 2-3; UW Regulation 2-10

**History:** Approved 3/22/2018 (Board of Trustees meeting)

Revisions approved 11/6/2023