

## 2023 Policy Covered Staff - Market Adjustment Plan

### Frequently Asked Questions

#### Why is ANR implementing a Staff Market Adjustment Plan?

The Staff Market Adjustment Plan is intended to improve our ability to recruit and retain quality employees in areas where current pay levels are below competitive levels. Historically, pay for the non-represented staff has stagnated in some areas. The Career Tracks compensation framework provides a clear picture of how our pay compares to our local labor markets and allows us to address pay concerns consistently and transparently across the organization.

#### What is a Market Adjustment plan?

An employee who significantly lags the internal and external labor markets according to the Career Tracks salary ranges, will receive a salary increase to move toward a more competitive pay goal. This salary increase is called a Market Adjustment.

#### What are the criteria for the Staff Market Adjustment Plan?

- ✓ Career Policy Covered (non-represented staff) – PSS, MSP
- ✓ Goals were set for non-represented employee pay standards based on the Career Tracks Compa-Ratio (difference between actual pay and midpoint of the salary range).

#### Year 2 Compa-Ratio Model

Compa-Ratio Goal	Years of UC Experience
0.85	0.0 – 4.99
0.90	5.0 – 6.99
0.95	7.0 – 9.99
1.0 (Mid-Point)	10.0 – 11.99
1.05 (Mid-Point)	12+

- ✓ An individual employee is eligible to receive a salary increase if the current salary is below the target placement in the salary range.
- ✓ The following salary % increase cap/limit has been established to control the overall budgetary impact of the plan.
  - 8% increase cap for employees in the salary ranges 16-18
  - 7% increase cap for employees in the salary ranges 19 – 23
  - 5% increase cap for employees in the salary ranges 24 +
- ✓ Cutoff date for review of data for year 2 is February 28, 2023. Phase 2 will be implemented effective **March 01, 2023** for monthly paid employees; and **March 05, 2023** for bi-weekly paid employees. Processing and payout dates to align with the closest payroll period, upon final approval.
- ✓ Employee performance must be “Meets Expectations” or better as of the most recently completed annual appraisal.
- ✓ Employees hired into their positions on or after January 01, 2023 will not be included in the 2023 market adjustment program.
- ✓ Employees with pay changes due to promotion or equity adjustments on or after January 01, 2023 will not be included in the 2023 market adjustment program.
- ✓ Employees will be eligible for salary increase regardless of fund source.

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- ✓ UCOP ANR employees are eligible for the Market Adjustment program, as long as they meet the above criteria, however, their increase will be effective on the date they first move to the UC ANR business unit.
- ✓ Subject to overall budget availability.

#### **When will employees be notified that they are eligible for an increase through the Staff Market Adjustment Plan?**

Unit Directors, Supervisors and employees will be notified through email with a letter describing employee eligibility. HR will begin sending out notices in the coming weeks.

#### **Why are there different salary ranges for different locations?**

It is normal practice that employers operating in multiple geographic areas have geographic pay differentials in their salary ranges. An employer may establish different salary ranges for varying locations based on differences in pay for each geographic location. An employee in an area that has higher prevailing wage rates for comparable jobs and/or a higher cost of living will usually be paid more than peers elsewhere in the company, all else equal.

#### **Why is there a salary percentage increase cap?**

Maintaining top talent continues to be of importance for the division. As such, funds have been prioritized to support this program. Salary percentage increase caps are an important part of the program in order to balance broad impact with meaningful outcomes while maintaining a financially sustainable program.

#### **Why are the salary caps different, depending on the salary grade?**

The differentiation in the salary caps will ensure a fair distribution of wage increases between the higher and lower salary ranges ensuring that the program budget is being weighted evenly between professional and managerial positions.

#### **What other employers are considered part of our “labor market?”**

We consider all types of employers – private, public and higher education – to be part of our labor market depending on the particular job. Generally, our market is defined by the organizations with whom we compete for employee talent.

#### **How will the Staff Market Adjustment Plan affect future salary decisions?**

Factors that affect pay include the employee’s previous related experience, relevant education, and performance. At UC ANR, we also consider the pay of employees in comparable positions. Over time, the market adjustment plan should address the competitive position of existing employees who have been paid less than the comparable market and will allow us to hire new employees at more competitive rates.

#### **How is the Staff Market Adjustment Plan different from salary equity reviews?**

In the past, individual employees or supervisors would request a salary review. Equity reviews were reviewed on an ad-hoc basis, and decisions were based on budget availability and immediate needs. The Staff Market Adjustment Plan is designed to bring transparency and consistency across UC ANR. Implementation is regardless of supervisor, unit or fund source.

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#### **Does this mean I cannot request an individual equity adjustment during the year?**

Units may submit individual equity reviews throughout the year; however, most equity requests will be addressed during the Staff Market Adjustment Plan cycle. Exceptions for unique scenarios where a separate request may be warranted include: bona-fide retention requests and compression between employee and supervisors.

#### **What do employees and or supervisors need to do to be included in this program?**

All non-represented, policy covered employees are included in the program review and supervisors and employees do not need to take any additional steps to be considered.