

# Additional Compensation Guidelines



Minnesota State University Moorhead may offer additional compensation to employees who take on [additional work outside of their normal job duties](#) or display exceptional performance. However, additional compensation may not be applicable for all situations or all positions. In conjunction with the [collective bargaining agreements](#), internal equity, market data, department budget, and employee performance are all important factors that supervisors and Human Resources should consider when offering additional pay.

## Supervisor Responsibilities

- Recognize and initiate opportunities for additional compensation for direct reports.
- Make final determination on additional compensation placement.

## HR Responsibilities

- Ensure compliance with collective bargaining agreements.
- Review internal equity and applicable market data.
- Make recommendations on equitable compensation practices.

When making a request for additional compensation, please evaluate and respond to the following questions. Please include your responses to these questions in a memo directed to your Division VP and Human Resources:

- What is the employee's FLSA status (Exempt or Non-Exempt)? I.e. Is the employee eligible to receive overtime or compensatory time?
- Is the additional work outside of what would reasonably be covered by the employee's position description?
  - If no, would payment of overtime or compensatory time be more appropriate?
- Is the additional assignment different work or more volume of the same work they are already doing?
  - If it is different work, is it work that would typically be performed by a position at an equal or higher level?
  - If no, could the duties be assigned to someone in a lower-level position instead (for example, would there be another OAS that could fill in instead of the Assistant Director)?
- What is the duration of the extra assignment? Will this be a permanent change?
- How many hours per week/month is the employee spending on the additional work? Is the employee able to accomplish the additional duties within their regular work schedule?
- Are the additional duties a one-time event/project?
- Is the employee fully resuming the duties of another position or just parts of it?
- Does the change in the employee's workload affect other team members? If so, should those other team members be given additional compensation as well?



## MSUAASF

**Additional Assigned Responsibilities:** Additional work being performed must be that of an unclassified position. The duration of the assignment must be 6 weeks or longer (but typically no more than 1 year).

MSUAASF Article 12, Section I, Subd. 1 is calculated based on how many pay periods the work is being performed, NOT the employee’s full year base salary times the percentage increase.

Employees cannot negotiate the amount of additional compensation. Setting the additional compensation in accordance with these established guidelines ensures equity and consistency.

The following may be used as a guide to determine the amount of additional compensation calculated as a percentage of the employee’s base salary. The total dollar amount of the additional compensation should be taken into consideration in addition to the percentage of base salary. Use discretion when offering above the contractual minimum of 10% for additional assigned responsibilities.

10% of base salary additional pay is not necessarily equivalent to 10% time spent on additional duties.

Criteria	Slight Increase	Moderate Increase	Significant Increase
	10 %	11 -- 15%	15 – 20%
Degree of increase in responsibilities	Performing some additional work along with primary responsibilities	Performing about half of the duties of another position	Taking on all or almost all duties of another position
Level of additional work in comparison to primary position	Work performed is of a lower classification	Additional work is same level classification	Additional work is higher level classification

When a MSUAASF employee is assigned on an interim basis to a position in a higher range, refer to the collective bargaining agreement to determine minimum salary placement. If the supervisor wishes to offer above the contractual minimum salary, they may use the [creditable experience form](#) as a guideline to determine salary placement.

## Faculty

Additional compensation for faculty generally needs to be calculated in terms of extra duty days or credits. There may be limited circumstances where lump sum payments are appropriate per an external contract or MOA.



Extra duty days can typically only be paid in full day increments, unless otherwise agreed to by the faculty member in writing. To calculate a faculty member's duty day rate, take their base salary divided by 168. To find a faculty member's per credit rate, take their base salary divided by 24.

## **Requesting Additional Compensation**

After consulting with the Office of Human Resources on the appropriate method and amount of additional compensation, the supervisor should fill out the [Compensation Request Form](#) for all non-faculty. Faculty compensation will need to be entered and approved in [FWM](#).

# Achievement Awards & Exceptional Performance Pay Options



<u>Bargaining Unit/Plan</u>	<u>Contract Language</u>
<a href="#">Nonrepresented Employees Compensation Plan</a>	<p style="text-align: center;"><b>Chapter 14 – Achievement Awards &amp; Other Incentives (pg. 62)</b></p> <p>Any employee who has demonstrated outstanding performance may receive an individual achievement award of up to three thousand dollars (\$3,000) or an adjustment to base salary of up to 3.5%. In addition, the Appointing Authority may, at its discretion, provide a team award to any employee who has demonstrated outstanding performance as part of a team. The team achievement award shall be in a lump sum of up to one thousand dollars (\$1,000) per fiscal year. Employees may receive both an individual and a team award in one fiscal year. Achievement awards shall be granted to no more than 30% of an agency's Commissioner's Plan employees in a fiscal year. Payments made under this section shall be effective no later than the last full payroll period in June.</p> <p style="text-align: center;"><b>Chapter 14 – Performance-Based Salary Increases (pg. 59)</b></p> <p>An employee who is in a position covered by this Plan on the day before the pay period in which January 1, 2024 occurs (and each January 1 thereafter) is eligible for one performance-based salary increase each year of up to three and one-half percent (3.5%) rounded to the nearest cent per hour if the employee's current rate of pay is not at or over the maximum rate of pay of the new salary range. The salary increase shall be in the form of an adjustment to the employee's base salary rate. The salary increase shall be tied to the employee's performance as measured against previously established standards and objectives.</p>
<a href="#">Managerial Plan</a>	<p style="text-align: center;"><b>Chapter 14 – Achievement Awards &amp; Other Incentives (pg. 55)</b></p> <p>Any manager who has demonstrated outstanding performance may receive an individual achievement award of up to three thousand dollars (\$3,000) per fiscal year. In addition, the Appointing Authority may, at its discretion, provide a team award to a manager who has demonstrated outstanding performance as part of a team. The team achievement award shall be a lump sum payment of up to one thousand dollars (\$1,000) per fiscal year. A manager may receive both an individual and a team achievement award in one fiscal year. In agencies with three (3) or fewer eligible managers, the total expenditure is limited to no more than five thousand (\$5,000) in each fiscal year. Payments made under this section shall be effective no later than the last full payroll period in June.</p> <p style="text-align: center;"><b>Chapter 14 – Performance-Based Salary Increases (pg. 54)</b></p> <p>A manager who in a position covered by this Plan on the day before the pay period in which January 1, 2024 occurs (and each January 1 thereafter) is eligible for one performance-based salary increase each year of up to three and one-half percent (3.5%) rounded to the nearest cent per hour if the manager's current salary is not at or over the maximum rate of the new salary range and the Appointing Authority certifies that the manager has achieved performance standards or objectives. The salary increase may be in the form of an adjustment to the manager's base salary rate, a lump sum or a combination of both, but shall not result in a base salary rate above the new maximum of the salary range for the classification. Managers whose salaries are at or over the range new maximum are not eligible for lump sum increases.</p>



<a href="#">MMA</a>	<p style="text-align: center;"><b>Article 16, Section 6 – Achievement Awards (pg. 47)</b></p> <p>Any supervisor who has demonstrated outstanding performance may receive an achievement award in the form of 1) a lump sum payment of \$1,600, or 2) a one step salary increase. The form of the achievement award, either 1) or 2) above, shall be at the discretion of the Appointing Authority. If the supervisor’s salary is at or above the maximum salary rate for their salary classification, the achievement award shall be paid as a lump sum. The receipt of an achievement award as a step increase shall not change the supervisor’s anniversary date nor affect the timing of future progression increases. In no instance during a fiscal year shall achievement awards be granted to more than forty (40) percent of the number of supervisors authorized at the beginning of the fiscal year.</p>
<a href="#">MAPE</a>	<p style="text-align: center;"><b>Article 24, Section 6 – Achievement Awards (pg. 84)</b></p> <p>At the Appointing Authority's discretion, an employee who has demonstrated outstanding performance may receive one (1) achievement award per fiscal year in a lump sum amount not to exceed one thousand dollars (\$1,000.00) or a one (1) step in range adjustment. The receipt of an achievement award as a step increase shall not affect the timing of future progression increases. In no instance during a fiscal year shall achievement awards be granted to more than thirty-five percent (35%) of the number of employees authorized at the beginning of the fiscal year.</p>
<a href="#">MSUAASF</a>	<p style="text-align: center;"><b>Article 12, Section H – Exceptional Achievement Incentive (pg. 27)</b></p> <p>The Exceptional Achievement Incentive Program shall be based on the principles of demonstrated consistent high performance and achievement. For each Fiscal Year of this Agreement, no more than ten percent (10%) of the eligible ASF Members at each university, as of July 1st, may have applications approved and receive an incentive under this program. If selected to receive an incentive under this program, the ASF Member will receive a lump-sum payment of three- thousand (\$3,000) less normal withholdings and deductions. This lump-sum payment shall not be added to base. ASF Members at the top of the salary schedule are not excluded from receipt of this incentive. Additional information regarding the eligibility, requirements, criteria, timelines, application procedures, etc. can be found in Article 12, Section H.</p> <p style="text-align: center;"><b>Article 12, Section I, Subdv. 4 – Honorarium (pg. 31)</b></p> <p>An ASF Member who performs an assigned special project for the university and/or Minnesota State may be awarded an honorarium at the President's or Chancellor's discretion. For purposes of this provision, the special project must normally be outside the scope of the ASF Member's responsibilities. Total honoraria for any individual ASF Member shall not exceed four thousand five hundred dollars (\$4,500) per fiscal year.</p>



<a href="#">Personnel Plan for Administrators</a>	<p style="text-align: center;"><b>1.13, Subdv. 6 – Merit Salary Increases (pg. 42)</b></p> <p>Up to 2.5% of aggregate base salaries at the beginning of FY 2024 and FY 2025, may be used for merit increases. All administrators who, as of the beginning of the respective fiscal year have at least six months of continuous service in a position covered by this Plan may be considered for a merit increase. Merit increases shall be effective no earlier than July 1 of the fiscal year in which they become effective. Such merit increases may be granted either on the base or as a one-time, lump sum if the Administrator’s base salary is at the top of the salary range. Such salary increases shall not result in a base salary above the maximum of the salary range to which the position is assigned.</p> <p style="text-align: center;"><b>1.13, Subdv. 7(f) – Exceptional Performance Awards (pg. 44)</b></p> <p>The chancellor may adopt a program that provides lump-sum payments to those administrators who have demonstrated exceptional performance. Expenditures for the program are subject to the availability of funds. In each fiscal year, the total expenditure for this program is limited to no more than one (1) percent of the aggregate base salaries of Administrators actively employed or on leave of absence on the first day of the fiscal year.</p>
<a href="#">AFSCME</a>	<p style="text-align: center;"><b>Article 16, Section 6- Achievement Awards (Page 45)</b></p> <p>At the Appointing Authority's discretion, an employee who has demonstrated outstanding performance may receive 1 or more achievement awards per fiscal year in a lump sum amount not to exceed one thousand dollars (\$1,000). No more than 35% of the employees in the bargaining unit shall be granted achievement awards each fiscal year.</p>
<a href="#">IFO</a>	<p>N/A – options available to pay additional salary such as extra duty days, reassigned credits, etc.</p>

## Requesting Additional Compensation

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