Iowa State University

Frequently Asked Questions for supervisors and employees
FY2017 Annual Salary Adjustment
May 2016

1. Is the use of market, equity, and performance adjustments new to the university?
   No. These practices have been in place for many years; however, historically, these adjustments may have all been issued at the beginning of a fiscal year and not separately identified. Employees were often not aware of which portion of their annual increase related to their annual performance. University Human Resources Classification and Compensation unit monitors market salary trends on an ongoing basis.

2. My salary is funded by a grant. Does this policy apply to me?
   Yes. The Salary Adjustment Policy is applicable for all fund sources. It is important to note that employees funded entirely by external grants are still employees of ISU, with institutional policies applicable (i.e., the granting agency is not the employer). Further, federal regulations prohibit institutions from having a separate policy for setting (or adjusting) salaries for those employees paid from federal sponsored funds (separate from employees paid on state funds).

3. I am unclear of what expectations I have to meet to receive a satisfactory evaluation. What should I do?
   Effective and ongoing performance management is an expectation for every ISU department chair/supervisor. As an employee, if this is unclear, you are encouraged to initiate the discussion with your department chair/supervisor about his or her expectations of you. This should be done prior to the annual evaluation in order to allow you time to have an opportunity to demonstrate your performance. Of course, the Position Responsibility Statement (PRS) for faculty or Position Description (PD) for P&S staff should be current and reflect these expectations.

4. Is there a standard format for my performance evaluation?
   For P&S staff, supervisors have the flexibility to utilize their own format. It should address all facets of an employee’s job responsibilities. University Human Resources has templates available for supervisors to use. These templates are available at http://www.hrs.iastate.edu/hrs/node/86. For faculty, a written annual evaluation is also required (no template provided).

5. Is there a specific time period in which performance evaluations should be conducted?
   All evaluations shall be conducted at least annually. The evaluation period may be different for each unit. However, the July 1 performance-based salary adjustment will be based on the most recent evaluation on file.

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1 Applies to all Faculty, P&S Staff, Contract Staff (K-Base employees, except those with performance-based compensation adjustments prescribed by existing contracts) and Post Docs.

2 The University’s Salary Adjustment Policy can be found at http://policy.iastate.edu/policy/salaryadjustments.
6. I have appointments in multiple departments or have multiple department chairs/supervisors. Who should conduct my annual evaluation?
   Your primary department is responsible for completing your annual evaluation for the record. For those having multiple department chairs/supervisors, it is suggested that the department chairs/supervisors participate in a single evaluation. The evaluation should contain input from other areas as necessary.

7. How will I know what portion of my annual adjustment relates to my performance?
   Your department chair/supervisor should communicate what, if any, portion of your July 1 salary adjustment is not related to your performance.

8. What is the “minimum salary adjustment” that is tied to satisfactory performance?
   It is expected that an overall satisfactory evaluation based on the annual performance evaluation should warrant some salary adjustment; a minimum percentage will be established each year and communicated through the annual budget development process.

9. What is the minimum performance-based salary adjustment for July 1, 2016?
   The minimum salary adjustment for acceptable performance is 1.0%.

10. Is there a maximum salary adjustment?
   The FY17 annual salary adjustment parameters contain a maximum threshold of 5% for the employee’s total salary adjustment. A total salary adjustment that exceeds 5% for any individual requires further administrative approval by the respective senior vice president or president. A form detailing such an adjustment and delineating the aspects of such must be completed and approved. This form can be found on the Classification and Compensation website under Forms/Additional Information (http://www.hrs.iastate.edu/hrs/classcomp).

11. The parameters indicate that if an employee is not performing satisfactorily they do not receive a salary adjustment on July 1, 2016. If the employee is not performing satisfactorily, the employee must be placed on a performance improvement plan (PIP) or action plan. If the employee succeeds in meeting the defined outcomes of the PIP or action plan, the employee may be considered for a performance-based salary adjustment in January 2017. What is the mid-year salary adjustment in this case?
   The January 2017 salary adjustment would be governed by the same expectations and rules as the July 1, 2016 annual performance adjustments.

12. Is the P&S Salary Matrix being adjusted for FY17?
   Yes. The P&S salary matrix for FY17 (effective July 1, 2016) will be adjusted by 1.75% (half of the 3.5% average salary increase pool) in an effort to align with salary movement in the market while also accounting for the limited increase pool from FY2016.

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3 Parameters are contingent upon the final outcomes of the legislation session regarding state appropriation allocations to the university, and contingent upon Board of Regent’s approval. The parameters may be adjusted for employees of the Ames Laboratory to coincide with applicable federal salary adjustment guidelines.

4 Total salary adjustment is defined as increases in base pay effective July 1, 2016 attributed to performance, market/equity, and/or retention. Performance, market/equity, and/or retention salary adjustments should be entered into the budget system by its respective component parts.
13. If I am a P&S employee and am currently at or near the top of my salary range, will I still receive a minimum salary adjustment for satisfactory performance?
Salaries for P&S staff cannot exceed the maximum of the adjusted salary range. If you are at the maximum of your salary range, you will not receive a salary adjustment. If you are near the maximum of your salary range, any adjustment will be limited so as to not exceed the maximum of the range based on the FY17 salary matrix (http://www.hrs.iastate.edu/hrs/classcomp).

14. Are new employees, hired after May 1, 2016 eligible for a July 1, 2016 salary increase?
No. The LOI should indicate that the offered salary will continue into FY17.

15. Are new employees hired after January 1, 2016 eligible for a July 1, 2016 salary increase?
Units making new hire offers after January 1 shall determine if a July 1 adjustment will be allowed prior to extending an offer. The LOI or offer letter must specify whether the starting salary will be in effect until the beginning of the next fiscal year, or whether a salary adjustment will be allowed. It is expected that a satisfactory review based on a 90 day written performance evaluation be conducted before a performance-based salary adjustment is allowed.

16. We are renewing the Letter of Intent (LOI) for a current term employee. What language should be on the document if we do not have approval for the increase at the time of signing the renewal?
The Annual base salary line should read, salary is not less than (and write in their current salary). FY17 performance-based salary adjustments should be based on published parameters.

17. What if I have a pending P&S reclassification request?
A typical reclassification results in a 5% salary increase (http://www.policy.iastate.edu/policy/ps/salary/increases). This increase is separate from the annual performance-based salary adjustment.

18. Is there a range, or average salary adjustment target for employee groups or administrative units?
For the FY17 budget, it is the intention that the cost of performance-based salary adjustments be approximately 3.5% of the total payroll for faculty, P&S staff and post docs. Please note that individual colleges and administrative units have flexibility in this area and the target noted above is for the university as a whole.

19. What is the market relative to faculty or P&S staff positions?
Market is the rate of pay with which ISU competes in fields or disciplines in local, regional or national markets. The market in which we compete for most P&S positions is local or regional, whereas the market in which we compete for tenured or tenure-eligible faculty positions is national.