

Compensation Working Group Meeting Minutes

Date: May 8, 2024

Time: 2 – 3 p.m.

Microsoft Teams Meeting

Welcome & Roll Call

Default compensation on Position Restrictions – Sri Kamarthi

- Departments are decreasing compensation on open positions to less than minimum wage and there is no HR or Compensation Partner approval step in the process. When the department wants to recruit again, they have no money in the budget to do so
 - Option 1: Add an approval for HR or Compensation Partner
 - Option 2: Add a validation (hard stop) to prevent the compensation from being reduced below a certain threshold.
- Based on member feedback during the last meeting, validation was an option that was supported
 - Validation will be added so that the compensation is not decreased below \$7.25 for hourly and FLSA threshold minimum for salaried employees
 - Validation will only be applicable for budgeted positions

All member representative seemed to be okay with validation for below \$7.25 hourly and another for FLSA threshold minimum for salary employees.

FLSA Threshold Update – Sri Kamarthi

- HROs have been emailed about the new rule for FLSA threshold requirements that will take effect on July 1, 2024. The current threshold of \$35,568 per year will increase to \$43,888 per year.
- To facilitate compliance with this new rule, WDS is offering mass upload (EIBs) for:
 - **Request Compensation Change EIB** – To be used for increasing the monthly salary of exempt employees to meet the threshold of \$43,888 per year
 - **Change Job EIB** – To be used to change the employee from exempt to non-exempt to stay in compliance with the new rule
 - Please note that if this approach is taken, consideration should be given to potential impacts of benefit deductions and eligibility for 12 over 9
 - **Edit Position Restrictions EIB** – To be used in conjunction with the Change Job EIB for employees in positions that will change from exempt to non-exempt to stay in compliance with the new rule

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- To ensure that all members complete the updates on time, WDS will not impose the minimum 50 employee threshold normally required to process an EIB. Please find the attached EIB templates for the above processes with examples.
- If you intend to take advantage of EIBs for your processing:
 - Send completed EIB templates to support@tamus.edu, no later than 6/14/2024
- Currently we have a warning validation to alert users if the salary assigned is below the FLSA threshold
 - Do we need an approval step if the salary is assigned below the FLSA threshold?
All member representative responses seemed to be that they are okay with the warning validation alerting users if the salary assigned is below the FLSA threshold

Generic Compensation Statement – Sri Kamarthi

- **Within Merit Module:** Merit can be launched and using the reason for Additional Adjustment field we can select the required reason (Example: Mandated Across-the-Board Increase). In this case merit will not be given, employees will only get an additional adjustment increase.
- Statement will not contain any FY language so it can be used outside of 9/1 merit cycle.
- **Vote: Do you support creating a generic compensation statement to be used within merit module?**

Y: Yes across the board (except for 1)

N: 1 “abstain” for TAMU/TAMUG/TAMHSC (it was explained that members can still opt out of Comp Review Statement for the merit module)

Compensation Statement in Request Compensation Change business process – Sri Kamarthi

- **Outside Merit Module:** Compensation Statement Generate Document step can be added to the Request Compensation Change business process after completion for selected list of reasons and employee types as needed.
- Employees will receive the comp statement in their Workday inbox after the compensation change is approved and they can acknowledge receiving the statement.
- Voting will be taken in the next working group meeting.
- Please note that utilizing the generic compensation statement is completely optional and depends upon the member selection (opt-in/out)

Q – Asked if there is a way to delay the statement/acknowledgement release to employee inbox?

A – We should be able to set up a delay for the statement/acknowledgement to be released to the employee inbox.

Q – If the employee doesn't submit the inbox item/acknowledgement statement, will it halt anything downstream such as later compensation events?

A – No, this will not affect the BP or later compensation events because it is released after the BP is approved.

Q – Are EIBs able to generate the statement?

A – We will have to do further testing

5% State Mandated Increase for Agencies and Merit – Sri Kamarthi

- Best practice recommendation is to complete the 5% state mandated increase effective 9/1/2024 using EIB and launch merit once the EIB is complete
- Once merit is launched, grid will reflect employee salary as of 9/1/2024 with the 5% state mandate applied and merit can be added on top of that
- Members can also choose to use the merit module instead of EIBs and complete the state mandated increase process and generate compensation statements from the merit module
 - Merit needs to be launched twice when using this option
 - First for the 5% state mandate. Members can still use the EIBs to populate the merit module with awards. Close out the merit module for 5% state mandate
 - Second for the merit module. Merit module will have the updated salaries on the grid and members can enter merit on top of that.
- Merit can be launched and using the reason for Additional Adjustment field we can select the required reason (Example: Mandated Across-the-Board Increase). In this case merit will not be given, employees will only get an additional adjustment increase.

Q- If we use merit module twice, once for 5% and then another for merit, how will it look in employee history?

A – There would be 2 separate line items, 1 for 5% increase and 1 for merit, both with same effective date of 9/1.

Communication Allowances – Sri Kamarthi

- There are two allowances for communication.

Communication Allowance

Description: Allowance payment for use of cell phone or other communication. No centrally allocated funds (E&G, DT, UAF, AUF, Investment Earnings and Auxiliary Assessments) or differential tuition are allowed to pay communication allowances.

Communication Equipment Allowance

Description: Allowance or one-time payment for mobile phones or other communication devices.

- As per the policy below, communication equipment allowance should be paid once every two years. This should be removed as an allowance type
 - *Communication Device Allowance – provides a monetary contribution toward the employee's personal acquisition of a communication device. **A device allowance may be paid once every two years.***

-All representative responses were in agreement with removing Communication Device Allowance and only having it for One-Time Payments.

-Next step is to see who has this allowance assigned and switch them over to regular Communication Allowance prior to removing Communication Equipment Allowance for monthly use

Default Compensation & Budget Contact Access – Daniel Lewer

- Enhancement request from TAMU to allow Budget Contact security group to initiate Request Default Compensation on the position.

All responses from member representatives reflected that they are okay with this change, or that there would no impacts due to current shared security roles. No negative concerns.

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One-Time Payment Gross Up Options – Daniel Lewer

- Received a request from TAMUCC to add gross up option for Extra Pay Outside Regular Job Duty one-time payment.
- Currently there are three gross up options available.
 - Employee Award - Grossed Up
 - Fellowship / Teaching Awards - Grossed Up
 - Relocation Allowance - Gross Up

Q – Why is this needed? What business reason for this?

A – Employees or student workers being repaid for certain completed tasks or jobs outside of job scope.

Q – Does the department understand that they will be paying the taxes on behalf of the employee?

A – Yes the department is aware

Q – Are they aware of impacts on non-exempt employees and that it could calculate at a higher rate due to overtime?

A – N/A

Final Answer from WDS: This will be taken to the next Payroll Working Group to be discussed further.