



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

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Human Resources
**EMPLOYEE COMPENSATION AND
RECOGNITION**
Adopted: March 9, 2007

EMPLOYEE COMPENSATION AND RECOGNITION

SECTION I. SCOPE.

This policy governs compensation and recognition for University of Minnesota (University) employees.

SECTION II. DEFINITIONS.

Subd. 1. Compensation. *Compensation* shall mean base salary and additional payments to employees, such as augmentations, lump sum payments, and incentives.

Subd. 2. Recognition. *Recognition* shall mean formal and informal acknowledgement of work or service performed.

SECTION III. GUIDING PRINCIPLES.

The following principles shall guide the University's compensation and recognition systems:

(a) The University strives to achieve and maintain a compensation structure that, when combined with benefits and other rewards, is competitive relative to institutional peers and other appropriate labor markets and serves to attract and retain a high performance workforce.

(b) The University seeks to reward meritorious performance and employee contribution to the success of the University through compensation and other forms of recognition.

(c) In the setting of initial salaries and subsequent pay adjustments, the University considers the work responsibilities, market, internal equity, experience and expertise, performance, and other criteria as appropriate.

(d) The University adheres to compensation and recognition practices that are fair and equitable in design, application, and delivery.



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SECTION IV. IMPLEMENTATION.

Subd. 1. Compensation System. The University's compensation system shall articulate current compensation strategies, describe forms of pay, identify funding sources, and outline annual compensation plans for each employee group. Responsible administrators shall be held accountable for disseminating salary and other compensation within the defined parameters of the annual plans in a manner that supports the academic direction and investment strategies of the University. The University's compensation system shall (a) be administered in a manner that complies with all applicable federal, state, and local regulations and laws and (b) be consistent with applicable administrative policies, rules, and collective bargaining agreements.

Subd. 2. Recognition System. The University shall have programs of awards, honors, and events that recognize excellence in performance by individuals, groups, and units.

SECTION V. MONITORING AND REPORTING.

The president or delegate shall monitor the effectiveness of compensation and recognition programs and report annually to the Board of Regents.