<table>
<thead>
<tr>
<th>SALARY ADJUSTMENTS</th>
<th>DEFINITION</th>
<th>CONSIDERATIONS</th>
<th>GUIDELINES</th>
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<tbody>
<tr>
<td>NEW HIRE</td>
<td>External hires</td>
<td>Candidates’ applicable knowledge, skills, and abilities (KSAs); General market conditions; Miscellaneous considerations including salary range, budget, legal concerns, merit increase timing, and internal-salary equity relationships.</td>
<td>HR Associates (HRAs) may approve offers up to mid-point; offers above mid-point have to be approved by a Human Resource Professional (HRP). Refer to PAT guidelines for titles on PAT salary plan.</td>
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<tr>
<td>LATERAL TRANSFER</td>
<td>Transfer from one unit to another in the same title.</td>
<td>May review special pay practices such as call pay eligibility, shift differential if non-exempt, etc. to determine offer</td>
<td>A lateral transfer generally does not change the staff members’ pay rate, as there is no increase in job level or responsibility.</td>
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<tr>
<td>LATERAL CAREER DEVELOPMENT</td>
<td>Transfer from one title to another within the same salary/global grade or to a different salary plan. A lateral transfer exists when the new salary plan and grade midpoint is within 10% of the current salary plan and grade midpoint. This applies to exempt and non-exempt titles.</td>
<td>- Incumbent’s KSAs, experience - Internal equity - Budget considerations - External market conditions - Salary range</td>
<td>May occur throughout the year. Consult with Human Resource Services. A salary adjustment may be made but is not required.</td>
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| PROMOTION          | A promotion is defined as advancement to a job that requires a higher level of competency and substantially greater responsibilities (e.g. move to a new position with a higher salary grade).  
A promotion exists when the new salary plan and grade midpoint is at least 10% higher than the current salary plan and grade midpoint. | - Incumbent KSA/experience  
- Salary range for new role  
- Internal equity  
- Budget considerations                                                                 | Offer within the range up to mid-point. Offers above mid-point must be approved by a Human Resource Professional (HRP)  
Refer to PAT guidelines for titles on PAT salary plan.                                                                                     |
| MERIT              | Annual salary or lump sum increase based on performance and the organization’s ability to pay                                                                                                                | - Salary budget  
- Merit increase guidelines  
- Performance evaluation  
- Position within range  
- Date of hire  
- Internal equity                                                                 | Employee below minimum should be brought into the salary range.  
Employees near maximum may receive a split increase consisting of base increase up to maximum of range plus lump sum.  
Employee at or above top of range receive increase as lump sum.                                                                                              |
| MARKET             | Off-cycle (mid-year) increase to adjust for pay substantially below external market or unforeseen turnover due to market forces                                                                               | - External market  
- Salary budget  
- Position within range  
- Internal equity  
- Incumbent’s performance  
- “Time to fill” the position                                                                 | The Human Resources Professional (HRP) may initiate a market review in consult with the department(s).  
All market increases must be approved through MU’s VC Finance for academic units and by the Chancellor’s Direct Reports in non-academic units. |
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| EQUITY             | Off-cycle (mid-year) increase to bring incumbent salary more in line with peer group in the unit | - Internal equity  
- Incumbent’s performance  
- Salary budget | Human Resources Compensation team may initiate an equity or market review  
All equity increases must be approved through MU’s VC Finance for academic units and by the Chancellor’s Direct Reports in non-academic units prior to notifying employees |
| DEMOTION           | A demotion is defined as an assignment to a lower-level job with less responsibility. Staff who are demoted should receive a pay rate within the new range commensurate with their proven qualifications.  
A demotion exists when the new salary plan and grade midpoint is at least 10% less than the current salary plan and grade midpoint. | - Was the change initiated by the employee or the organization?  
- Incumbent KSA and experience  
- Internal equity  
- Budged considerations | If a demotion results from reorganization, salary may be frozen at current level  
Salary is reduced to within the new salary grade/range if other than reorganization  
The new pay rate should neither be below the minimum nor above the maximum of the new salary range |
| COUNTER OFFERS     | A counter offer is an offer made in response to a job and/or salary offer from an internal department or external employer. | - Is the job the employee is considering a lateral transfer?  
- Is the job the employee is considering a promotion?  
- What is the motivation behind the employee’s desire to leave?  
- Internal impact of a counter offer to other staff (i.e. internal equity) | Counter offers must be discussed with HRS first and then approved through MU’s VC of Finance for academic units or by the Chancellor’s Direct Reports in non-academic units prior to notifying employees. |