

When developing an offer, strive to ensure market-competitive pay. Consider the following key criteria: candidate qualifications, internal salary alignment, position, budget and—when applicable for internal candidates—performance history. These factors should guide the selection process and the final offer decision to support fair and competitive compensation practices.

Action Type	Typical Range Positioning	Previous Approval Practice	Approval Required as of Sep. 1, 2025	Notes
<b>New hire</b>	<b>Midpoint plus or minus 10% to 15%</b> Candidates with limited experience should be between min to first quartile.	<b>Above midpoint</b> - Provost, EVP OR President	<b>Above third quartile AND above \$100k</b> - Provost, EVP OR President	Prior salary/pay of candidate should not be a factor in placement.
<b>Promotion/Reclassification</b> Reflects job scope or level change	<b>5% to 10% increase</b> per grade level <b>Min to midpoint</b> of new grade Candidates with limited experience should be between min to first quartile.	<b>Above midpoint OR increase &gt; 20%</b> - Provost, EVP OR President	<b>Above third quartile OR increase &gt; 30% AND above \$100k</b> - Provost, EVP OR President	Higher increases may be justified for multi-level jumps or retention needs.
<b>Lateral transfer</b> Maintain internal consistency	<b>No change</b> if in same classification/job title or <b>up to 5% increase</b> if new classification/job title	<b>Any increase</b> - Provost, EVP OR President	<b>Above third quartile OR increase &gt; 5%</b> - Provost, EVP OR President <i>Lateral transfers that do not involve a pay change do not require executive approval.</i>	Minor adjustments allowed for salary alignment or annual merit increase.
<b>Mid-year adjustment</b> Response to market or talent retention	<b>Varies</b> up to mid-point	<b>Any increase</b> - Provost OR EVP, AND President	<b>Increase &gt; 15% AND above \$75k</b> - EVP OR Provost, AND President	Multiple factors are considered in this process which is guided by the Compensation team.

\* Pay guidelines will be reviewed annually for impact and effectiveness and may result in adjustments. Any offer over the maximum for the grade level will continue to require approval from the President. UK HealthCare and individual departments may also have additional guidelines and requirements for approvals.



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### Key guidelines

- ❑ **Related experience calculation:** Candidate's previous work history should include similar experience to the position they are being hired into.
  - **Limited experience:** Candidates should be between minimum and first quartile.
  - **Seven to 10 years of experience:** Candidates should be around the midpoint of the grade level.
- ❑ **New hires:** Offers should stay within salary range and reflect internal salary alignment, not prior salary/pay of candidate.
- ❑ **Salary alignment:** Always compare to current employees in same job titles. Also consider employees in similar roles and grades.
- ❑ **Documentation:** Letters of justification are required for all hiring actions that require executive approval.
- ❑ **College/Division role:** Confirm budget availability and secure approval from the Dean or Division Head prior to submitting the offer. No offer should be extended prior to obtaining all necessary approvals.
- ❑ **Human Resources role:** HR will review for salary alignment and guide departments on adherence to policies and procedures. HR can provide training and consultation on preparing competitive offers. HR facilitates the process to obtain any required executive approvals and notifies departments when an offer may be extended.



## Example offer scenarios

### 1. New hire offer – Grade 48 staff position

*Scenario: A department wants to hire a new employee at \$98,000.*

- According to the 2025-26 pay guidelines, executive approval is **not required**.
- The offer is **above the third quartile** (\$93,621), but **below \$100,000**.

*Rule: Executive approval is only needed for new hire offers that are both above the third quartile and greater than \$100,000.*

### 2. Lateral transfer – Small increase

*Scenario: An employee is transferring departments in May. The department proposes a 2% salary increase to recognize past contributions. The new salary is below the third quartile for the grade.*

- According to the 2025-26 pay guidelines, executive approval is **not required**.

*Rule: Lateral transfers with an offer **below the third quartile and a less than 5% increase** do not require executive approval.*

### 3. Lateral transfer – Above third quartile but no pay change

*Scenario: A department wants to transfer an employee whose new salary would be **above the third quartile**, but there is **no change to the employee's current pay**.*

- According to the 2025-26 pay guidelines, executive approval is not required because the employee's **pay is not increasing**.

*Rule: Lateral transfers without a pay change do not require executive approval, even if the new position is above the third quartile.*

### 4. Mid-year salary adjustment

*Scenario: A department requests a mid-year salary adjustment to bring an employee's pay to \$80,000, which is a **19% increase** from their current salary.*

- According to the 2025-26 pay guidelines, this requires approval from the EVP/Provost and the President.

*Rule: Mid-year adjustments require EVP/Provost and the President's approval when the **increase is greater than 15% AND the proposed salary is beyond \$75,000**.*

