

Stanford

Published on *Administrative Guide* (<https://adminguide.stanford.edu>)

Home > 2.1.5 Compensation of Staff Employees

2.1.5 COMPENSATION OF STAFF EMPLOYEES

Last updated on:

05/25/2

Formerly Known As Policy Number:

22.4

This Guide Memo outlines Stanford University's compensation policies.

Authority:

Approved by the Vice President for Human Resources.

Applicability:

Applies to regular employees not covered by a collective bargaining agreement and Academic Staff-Libraries as defined in [Guide Memo 2.2.1 \[1\]](#): Definitions. For policies that apply to employees covered by a collective bargaining agreement, refer to the agreements at [Labor Relations & Collective Bargaining \[2\]](#) for details. This policy also applies to:

- Temporary and casual employees, where specified
- SLAC, but implementation procedures may differ

Policy Statement:

It is Stanford University's policy to pay salaries that reflect the duties and responsibilities of the position and the amount and quality of the work performed in comparison with other university employees, regardless of funding sources. It is also the intention of the university to set salary ranges that provide competitive pay opportunities comparable with relevant labor markets. Consistent with its obligations under the law, Stanford shall not discharge, or in any manner discriminate or retaliate against, employees or applicants because they have discussed, inquired about, or disclosed their own pay or the pay of another employee or applicant. For questions or further information, contact your local Human Resources office.

1. Information Sources

University compensation policies and procedures for staff employees are described in this Guide Memo and these publications and memoranda:

- a. Annual memoranda that describe the salary program, issued by the Vice President for Human Resources. These memoranda include current policies and procedures that are reviewed and approved each year.
- b. To find specific administrative information on the staff compensation program, see the [Compensation \[3\]](#) website.

[Back to top](#)

2. Hours of Work and Work Records

a. Workweek

The basic full-time workweek is 40 hours of work on five consecutive eight-hour days. The standard week is a seven-day period commencing at 12:01 a.m. Monday and ending at midnight the following Sunday. Salaried staff employed for a work week of less than the basic 40-hour week receive reduced salary based on the ratio of hours worked to 40 hours. Staff employees who are employed at an hourly rate are paid for the actual time worked.

Straight time is time worked up to eight hours a day and 40 hours a week unless the employee is on an alternative work schedule (see section 6, Alternative Work Schedule).

b. Nonstandard Workweek

Departments may establish other workweek schedules or work arrangements to meet their requirements, including a workweek that begins and ends on other days or hours than the basic workweek (outlined in section 3.a), if approved in advance by the local Human Resources office. See guidelines at [Flexible Work Options](#) [4].

c. Make-Up Time

At the written request of the employee, and with the approval of the supervisor, a non-exempt employee may reduce their work hours on one day and make up the hours not worked on another day during the same workweek. The employee may do this by working more than eight hours but not more than 11 hours in one day, with the understanding that no overtime premium will be paid unless the total number of hours worked in any one day exceeds 11 hours or the total number of hours worked in any one workweek exceeds 40.

If the supervisor compels the employee to work more than eight hours in a day, beyond any request for flexible schedule by the employee, then the employee is due the overtime premium.

d. Day of Rest

Non-exempt employees working more than 30 hours a week are entitled to have at least one day off in seven in compliance with California state law.

e. Rest Periods

The university provides non-exempt employees a 15-minute paid rest period for each four hours of work or "major fraction" of four hours of work (i.e., more than two hours), provided the employees work at least three-and-one-half hours per day. Insofar as practicable, rest periods should be scheduled in the middle of each work period. Rest periods should also be arranged so that disruptions of work and services are held to a minimum. Employees are not permitted to use their rest periods to shorten the workday or to extend the meal break.

f. Meal Periods

Meal periods normally are for one hour and are unpaid. Time taken for meal periods is not part of the work day, provided the employee is relieved of all duty. A non-exempt employee must be provided with an unpaid meal period of at least 30 minutes after no more than five hours of work, and a second meal period of at least 30 minutes after no more than ten hours of work, unless the employee waives the right to the second meal period. A non-exempt employee who works no more than six hours in the workday may also waive the right to a meal period if the supervisor approves.

If a non-exempt employee is not provided with a meal break and/or is not relieved of all duty during a meal break, then the time must be recorded as work hours. Additionally, a penalty of one hour of the employee's straight time hourly rate must be paid to the employee.

g. Note to Supervisors

Unpaid meal breaks, including actual start and stop times, must be recorded in each employee's Axess Timecard. If a meal break is not provided, a one-hour penalty must also be recorded.

h. Work Records

1. Records for Non-Exempt Employees

Federal and state laws require non-exempt employees to keep an accurate daily record of hours actually worked, including actual start and stop times and meal breaks. Axess Timecard, in the human resources management system (HRMS) is the system of record to indicate hours worked, including overtime hours and vacation, sick, holiday and other leave time taken by each non-exempt employee. In system, records must be updated by the end of each pay period, but it is recommended that employees update their actual work hours each work day. Supervisors (or their departmental designees) must approve non-exempt employees' time records and must approve any variance from the employees' normally scheduled work hours.

Also see [Guide Memo 2.1.6 \[5\]: Vacations](#), [Guide Memo 2.1.7 \[6\]: Sick Time](#), [Guide Memo 2.1.8 \[7\]: Miscellaneous Authorized Absences](#), and [Guide Memo 2.1.13 \[8\]: Paid Holidays](#).

2. Records for Exempt Employees

Axess Timecard, in the human resources management system (HRMS), is the system of record to indicate vacation, sick and other leave time taken by each regular exempt employee. In that system, records must be updated by the end of each pay period. For exempt employees it is not necessary to report any vacation, PTO or Floating Holiday time less than four hours. For reporting purposes of four or more hours, record a minimum of four hours or the actual time taken if over four hours. Sick time may be taken in any increment. In the case of intermittent Family and Medical Leave, the local Human Resources office must be consulted to ensure that (a) accurate records are maintained of time used for Family and Medical Leave, and (b) the employee's leave balance is properly reduced for time charged to intermittent Family and Medical Leave. Supervisors (or their departmental designees) must approve exempt employees' leave records.

Also see [Guide Memo 2.1.6 \[5\]: Vacations](#), [Guide Memo 2.1.7 \[6\]: Sick Time](#), [Guide Memo 2.1.8 \[7\]: Miscellaneous Authorized Absences](#) and [Guide Memo 2.1.13 \[8\]: Paid Holidays](#).

3. Records for Non-Employees

Stanford is not required to keep a record of hours for consultants or employees of another employer with whom the university has a contract for service.

[Back to top](#)

3. Establishing Salary Ranges

The Vice President for Human Resources establishes the job classifications and the minimum and maximum rates for each classification's salary range and is responsible for administering the overall salary program. The Vice Presidents, Vice Provosts, Deans or Directors are responsible for administering the pay and classification actions in their area(s).

a. Minimum Wage

In compliance with federal and state laws, employees must be paid the current minimum wage or higher

unless a request for a specific exception is allowable under the law and approved by the Vice President for Human Resources. Information on the current minimum wage rate is available from University Human Resources Staff Compensation.

b. Non-Cash Compensation

When the university provides perquisites such as room, apartment, or meals, their value (as determined under tax laws) is added to cash compensation to establish total base pay for computation of insured benefits. When required to be taken as a condition of employment, perquisites are not subject to federal income tax.

c. Performance Increases

Staff employees are eligible for pay increases based on performance. Pay increases are not automatic. Internal pay relationships and relevant market information are considered in setting pay increases.

[Back to top](#)

4. Overtime Compensation

a. Employees Exempt from Overtime Compensation

(1) Definition of Exempt Employee

Certain employees hold jobs that are exempt from governmental regulations regarding compensation for overtime work. In general, employees are exempt when employed in executive, administrative or learned, creative or computer professional positions as defined by the Fair Labor Standards Act. Exempt University employees are not entitled to receive overtime pay.

The Vice President for Human Resources or designee determines the exempt or non-exempt status of university classifications. Special circumstances, such as an employee working in more than one job (also referred to as a dual appointment) that may affect their exempt status, must be discussed with the local Human Resources office before hiring employees into additional jobs.

Normal Expectations—Because of the many activities required to keep the university functioning, full-time members of the academic staff and regular exempt staff may be called upon to perform a variety of services for the institution apart from those normally considered to be their regular job duties. These staff members may be assigned these tasks either within their department or for another area within the university.

Further, it is understood that regular academic and exempt staff may often be expected to work in excess of 40 hours a week. Because these situations are considered to fall within the normal expectations for these staff, they would not constitute grounds for payment of additional compensation and the staff member would not receive payment in excess of 100% of the FTE salary.

If an employee receives a request to perform additional work for a department other than the employee's home department assignment (whether related or unrelated to the employee's current responsibilities), the employee must receive formal approval in advance from their supervisor or provide notification to the supervisor, depending on the duties:,>

- **For non-teaching duties**, the employee must receive prior written approval from their current supervisor and the local Human Resources Office.
- **For teaching duties:**
 - If the teaching duties occur outside the employee's normal work schedule, the employee must give prior written notification to their current supervisor and the local Human Resources office.
 - If preparation and/or teaching duties occur during the employee's normal work schedule, the employee

must receive prior written approval from his/her current supervisor and the local Human Resources Office.

(2) Further Information

For regular non-bargaining unit staff and academic staff-libraries, contact your Human Resources office.

b. Overtime Entitlement

Any employee holding a non-exempt job and who is required to work more than eight hours in a day, or more than 40 hours in a week, is entitled to compensation in accordance with (1) below. The total hours worked for one or more departments of the university are to be counted in determining overtime even though employment in any one department does not exceed the standard 8-hour day or 40-hour week. University policy provides for overtime payment for hours worked in excess of eight in one day in accordance with state regulations. University policy provides overtime payment for hours worked in excess of 40 in one week in accordance with state and federal regulations. Overtime policies are applicable to non-exempt temporary and/or casual employees as well as to regular non-exempt employees. University requirements and government regulations make it mandatory that overtime hours worked by non-exempt employees be recorded and compensated.

(1) Overtime Rate

The university's policy is to compensate non-exempt employees at a premium rate of one-and-one-half times the hourly rate of pay. Shift premiums are added to the straight-time rate to compute the overtime premium. For employees working a 40-hour week, the hourly rate is the monthly salary divided by 173.33 hours.

- Non-exempt employees who work in excess of 12 hours per workday or in excess of eight hours on the seventh consecutive day of work in a single work week will be compensated for those excess hours at the rate of twice their regular hourly pay.
- Overtime Rates:
 - a. Time and one-half: hours eight through 12 in one workday
 - b. Double-time: hours after 12 in one workday
 - c. Time and one-half: first eight hours on seventh consecutive workday
 - d. Double-time: after eight hours on seventh consecutive workday
 - e. Time and one-half: after 40 hours in one work week, unless a double-time premium applies

(2) Overtime Hours

Authorized paid time off (e.g., vacation, sick leave, personal time off, holidays, etc.) counts as time worked in determining if a non-exempt employee is entitled to overtime compensation. Leave without pay does not count as time worked.

(3) Overtime Limitations

Overtime work is to be kept to a minimum because of costs. Departments should permit overtime work by non-exempt employees only when it is essential to the operation of the department. State law prohibits persons under age 18 from working more than eight hours per day under any circumstances.

(4) Approval of Overtime Work

Overtime work by non-exempt employees requires approval in advance by the department head or a designated representative who has the authority to schedule work and approve overtime compensation. Non-exempt employees cannot be authorized to schedule or approve overtime work for themselves. Non-exempt employees cannot be authorized to work unpaid overtime. In circumstances where a part-time employee plans to work in more than one job for the same or other department(s), the employee's supervisors should contact the local Human Resources office for consultation on both topics before implementation.

(5) Approval of Extended Overtime

Departments finding it necessary to schedule overtime for one or more employees on a regular basis for six

months or longer as the only means of meeting work requirements, must obtain approval in advance from the appropriate Vice President or Vice Provost.

[Back to top](#)

5. Alternative Work Schedule

a. Definition

"Alternative work week" refers to a standard work week (40 hours) that is condensed into fewer than five full days. A common alternative work week schedule is four 10-hour days.

b. Guidelines

Guidelines for [Flexible Work Options](#) [4].

c. Administrative Considerations

Managers should consider their operational needs before implementing an alternative work schedule. For example, an alternative work schedule may be used in the academic departments where expanded service hours are needed to accommodate client needs during irregular hours (e.g., students or clients in other time zones), but may be impractical when 8 a.m. to 5 p.m. coverage is the priority.

d. Alternative Work Schedule Election

Upon secret ballot election by affected employees conducted in strict compliance with applicable laws, and with the concurrence of management, non-exempt employees may work an "alternative work week," such as four 10-hour work days, with the understanding that no overtime premium will be due unless the employee works more than 40 hours in any one week, or the supervisor compels the employee to work more than the agreed upon hours in any work day. No alternative work schedule for non-exempt employees may be implemented unless it meets all legal requirements and prerequisites and is reviewed in advance by Employee & Labor Relations in University Human Resources. Contact your local Human Resources office if you are interested in exploring the option of implementing an alternative work schedule, or consult with Employee & Labor Relations and review these guidelines for [alternative work schedules or flexible work options](#) [9].

[Back to top](#)

6. Special Compensation Situations For Non-Exempt Employees

a. Call-Back Time

"Call-back" time occurs when a non-exempt employee responds to an emergency call and returns to work outside their normal working hours without advance notice. The minimum compensation for "call-back" time is two hours pay. Compensation for "call-back" time includes the actual time spent traveling to and from the "call-back" duty.

b. Standby and Beeper Pay

Employees away from work may be required to remain accessible for consultation or to return to work. Non-exempt employees assigned such duties are eligible to receive partial salary for the duration of the assignment if that assignment restricts their personal activities.

(1) Beeper Pay

If that restriction is to carry an electronic "beeper" (or similar device) and remain within range of the device, **and** be within 15 minutes travel time to a telephone from which to return a beeper page, the partial salary is

5% of the employee's base pay for hours assigned to beeper duty, but not at work (called "beeper pay"). See [Guide Memo 2.2.1 \[1\]: Definitions](#). However, should an affected employee fail to respond to the page, they will forfeit reimbursement of the beeper pay provision.

(2) Standby Pay

If the restriction is narrower than discussed in (1) above, and the assignment requires the employee to remain at a specific telephone within a specific distance from work to permit being called instantly to return to work, the partial salary is 50% of the employee's base pay for hours assigned to standby duty, but not at work (called "standby pay"). See [Guide Memo 2.2.1 \[1\]: Definitions](#).

c. Shift Pay

Shift premiums are paid to non-exempt full-time employees assigned to shifts other than daytime schedules. Non-exempt employees working full-time and assigned to swing shifts (shifts starting between 2 p.m. and 10 p.m.) will be paid a 10% shift premium. Non-exempt employees working full-time and assigned to owl/night shifts (shifts starting between 10 p.m. and 3 a.m.) will be paid a 15% shift premium.

[Back to top](#)

7. Temporary Compensation for Work in a Higher Classification

Additional temporary compensation may be appropriate when an employee temporarily fills a position at a higher classification for two or more consecutive months, but typically no longer than six months, subject to additional considerations. The employee retains their classification during the temporary assignment. In addition, non-exempt employees remain non-exempt during the temporary assignment and receive overtime premiums for hours worked in excess of the overtime threshold. For questions or further information, contact your local Human Resources office.

[Back to top](#)

Source URL (modified on 01/12/2018 - 15:08): <https://adminguide.stanford.edu/chapter-2/subchapter-1/policy-2-1-5>

Links

- [1] <https://adminguide.stanford.edu/2-2-1>
- [2] <http://cardinalatwork.stanford.edu/hr-processes-policies/labor-relations-collective-bargaining>
- [3] <https://cardinalatwork.stanford.edu/benefits-rewards/compensation>
- [4] <https://cardinalatwork.stanford.edu/manage-lead/employees/manage-your-team/work-life-integration/flexible-work-schedule>
- [5] <https://adminguide.stanford.edu/2-1-6>
- [6] <https://adminguide.stanford.edu/2-1-7>
- [7] <https://adminguide.stanford.edu/2-1-8>
- [8] <https://adminguide.stanford.edu/2-1-13>
- [9] <https://hr.stanford.edu/processes/employee-labor-relations/flexible-work-options-consultation>